

COURT FILE NUMBER

2201-01086

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

CANADIAN WESTERN BANK

DEFENDANT

BIG BEAR ENERGY RENTALS LTD., 1509571
ALBERTA LTD., 5556300 MANITOBA LTD.,
BARRICADE ENVIRONMENTAL LTD., DIRECT
ENVIRONMENTAL TECHNOLOGIES INC. , JASON
ROBERT LLOYD, KENNETH JOHN GEORGE
CARSTAIRS, ROBERT CHRISTOPHER LLOYD, and
DANIEL ROBERTS

DOCUMENT

FIRST REPORT OF THE RECEIVER

April 25, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Attention: Orest Konowalchuk / David Williams
Telephone: (403) 538-4736 / (403) 538-7536
Email: okonowalchuk@alvarezandmarsal.com /
david.williams@alvarezandmarsal.com

COUNSEL TO RECEIVER

BORDEN LADNER GERVAIS LLP
1900, 520 – 3rd Avenue SW
Calgary, Alberta T2P 0R3
Attention: Robyn Gurofsky
Phone: (403) 232-9774
Fax: (403) 266-1395
Email: rgurofsky@blg.com
File: 022910-000008

APPENDIX F	Lloyd Letter and Receiver's Response
APPENDIX G	Blu-Water APA (redacted)
APPENDIX H	Dakow APA (redacted)
APPENDIX I	Proposed Sales Process
APPENDIX J	Proposed Sales Process Advertisement
APPENDIX K	Proposed Form of Offer
APPENDIX L	Receiver's Fees and Costs
APPENDIX M	Receiver's Counsel's Fees and Costs
CONFIDENTIAL APPENDIX 1	FSJ Desktop Appraisals
CONFIDENTIAL APPENDIX 2	USA FLV Appraisal
CONFIDENTIAL APPENDIX 3	Freelance Desktop Appraisals
CONFIDENTIAL APPENDIX 4	Master Asset Listing
CONFIDENTIAL APPENDIX 5	Analysis of Blu-Water and Dakow APAs
CONFIDENTIAL APPENDIX 6	Blu-Water APA
CONFIDENTIAL APPENDIX 7	Dakow APA

INTRODUCTION

1. On January 21, 2022 (the “**Interim Receivership Date**”), by order of the Honourable Justice K. Horner (the “**Initial Interim Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed interim receiver (the “**Interim Receiver**”) of each of Big Bear Energy Rentals Ltd. (“**Big Bear**”), 5556300 Manitoba Ltd. (“**555 MB**”), Barricade Environmental Ltd. (“**Barricade**”), Direct Environmental Technologies Inc. (“**Direct**”) and 1509571 Alberta Ltd. (“**150 AB**”) (collectively, the “**Debtors**”) and their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), section 13(2) of the *Judicature Act*, RSA 2000, c J-2 (“**JA**”), and section 242(3) of the *Business Corporations Act*, RSA 2000, c B-9 (“**ABCA**”).
2. On February 4, 2022 (the “**Receivership Date**”), the Court granted an Enhanced Interim Receivership and Receivership order (the “**Enhanced Powers Order**”), whereby the Interim Receiver was granted “enhanced powers” over all the Debtor’s Property. The Enhanced Powers Order builds on the Initial Interim Receivership Order and specifically empowers and authorizes, but does not obligate, the Interim Receiver to, among other things, manage, operate and carry on the business of the Debtor, to assume control and take possession of the Debtor’s Property and operations, and assume control and take possession of any and all proceeds, receipts and disbursements arising out of or from the Property, but did not allow the Interim Receiver to realize upon the Debtors Property. The Enhanced Powers Order did provide, however, that effective February 9, 2022, the Interim Receiver would be converted to a receiver and manager (the “**Receiver**”) of the Debtors pursuant to sections 243(1) of the BIA, 13(2) of the JA, 99(a) of the ABCA and 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7. As a result of this change in role, the Receiver is now permitted to, among other things, market, sell, convey, transfer,

lease or assign the Property or any part or parts thereof out of the ordinary course of business subject to Court approval as necessary.

3. The purpose of this first report of the Receiver (the “**First Report**” or “**this Report**”) is to provide this Honourable Court with information in respect of the following matters:

- a) an overview and background of the Debtors;
- b) the initial activities of the Receiver since the Receivership Date;
- c) an operational update of the Debtors since the Receivership Date;
- d) an update on the Receiver’s efforts with regards to the verification and collection of accounts receivable;
- e) an update on the Receiver’s efforts to receive, secure, protect, identify and count the equipment and inventory of the Debtors (the “**Assets**”);
- f) the security opinion conducted by the Receiver’s independent counsel, Borden Ladner Gervais LLP (“**BLG**” or the “**Receiver’s Counsel**”) with respect to the security granted to Canadian Western Bank (“**CWB**”) and Business Development Bank of Canada (“**BDC**”), the senior secured lenders to the Debtors;
- g) the Receiver’s application for an order discharging the Garage Keeper’s Lien filed by Leading Edge (defined further in this Report);
- h) the Receiver’s application for an order approving the sale of certain Assets located in Fort St. John to Blu-Water LP (“**Blu-Water**”) and Dakow Ventures Ltd. (“**Dakow**”) including the acknowledgement by Blu-Water and Dakow of the remaining accounts receivable owing to Big Bear;

- i) the Receiver's proposed sales and marketing process (the "**Sales Process**") for the Assets;
 - j) the cash flow results for the period from February 4, 2022 (the Receivership Date) to April 15, 2022 and commitments entered into by the Receiver (the "**Receivership Proceedings**");
 - k) the Receiver's application for the sealing of Confidential Appendices 1 to 7 of this Report (the "**Restricted Court Access Order**");
 - l) approval of the Receiver's actions, activities and conduct, and approval of the Receiver's fees and disbursements and those of the Receiver's Counsel since the Interim Receivership Date;
 - m) the Receiver's ongoing activities and its future course of action; and
 - n) the Receiver's conclusions and recommendations.
4. Capitalized words or terms not otherwise defined in this Report are as defined in the Order.
5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

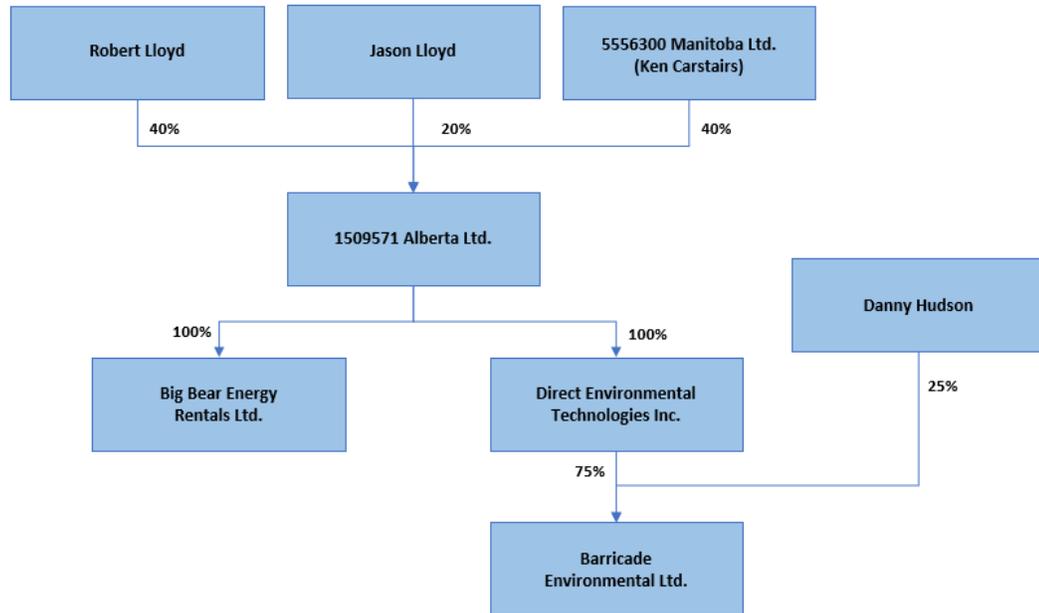
6. In preparing the First Report, the Receiver has relied upon: (i) information obtained by the Interim Receiver prior to the Receivership Proceedings; (ii) the representations of certain former management and other key stakeholders of the Debtors; and (iii) financial and other information contained in the Debtors' books and records, which were produced and maintained principally by the Debtors.
7. The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Debtors' financial information that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the

Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information.

BACKGROUND AND OVERVIEW

The Debtors

8. Below is a corporate organizational chart of the Debtors:



Big Bear

9. Big Bear, a privately owned company incorporated under the Alberta Business Corporations Act and located in Sylvan Lake, Alberta, was a service company operating in the Western Canada oil & gas and civil engineering industries. Big Bear provided fluid management, dewatering and diversions, emergency response, equipment rentals, super heaters, and H2S and flow back treatment services to its clients. These services were provided by both Big Bear in Canada and Barricade in the United States. Big Bear's head office is located at 3 Industrial Drive SW, Sylvan Lake, Alberta (the "**Big Bear Facility**") and the Receiver continues to maintain occupancy of this leased premises during the Receivership Proceedings.

Barricade

10. Barricade, which was acquired by Big Bear in 2019, has facilities in Williston, North Dakota and Cheyenne, Wyoming and offered similar services to Big Bear in the following States: North Dakota, Wyoming, Texas, Colorado and Delaware. Barricade's leased facilities are located at 5044 Petroleum Park Drive, Williston, North Dakota and 1938 Wyott Drive, Cheyenne, Wyoming (collectively, the "**Barricade Facilities**"). The Receiver has made arrangements with the respective landlords of the Barricade Facilities to continue to occupy the secured Barricade Facilities to store Barricade's equipment and inventory in the United States pending a sale.
11. Big Bear and Barricade are the only two Debtors with operations or any material assets and are therefore considered the '**Company**' for purposes of this Report.

Remaining Debtors

12. 150 AB is the parent company and wholly owns both Big Bear and Direct. 150 AB is owned primarily by three individuals: Mr. Robert Lloyd, Mr. Jason Lloyd ("**Mr. Jason Lloyd**") and 555 MB (which is owned 100% by Mr. Ken Carstairs ("**Mr. Carstairs**")). As at the Receivership Date, 150 AB had approximately \$14,000 in its bank accounts, all of which has been recovered by the Receiver. 150 AB did not have any employees.
13. Direct is an Alberta corporation that wholly-owns Barricade. The Receiver understands that Direct is a flow through entity that has no operations, but facilitates the flow of intercompany funds (largely for tax purposes) between Big Bear and Barricade. As at the Receivership Date, Direct had approximately \$164 in its bank accounts, all of which has been recovered by the Receiver. Direct did not have any active employees.
14. As at the Receivership Date, the Receiver was not aware of any ongoing projects or services being provided by Direct, 555 MB or 150 AB.

15. The Receiver attempted to obtain accounting books and records of 555 MB from PKHC Chartered Professional Accountants (“**PKHC**”) in Swan River, MB, but was advised that they did not do any bookkeeping for the company and only had tax returns to provide. Shortly after speaking to PKHC, the Receiver obtained possession of the Company’s tax returns and accounting records from the Company’s Records. As at the Receivership Date, 555 MB had approximately \$5,500 in its bank accounts, all of which has been recovered by the Receiver. 555 MB did not have any active employees.

The Company’s Loans

16. The Company (Big Bear and Barricade) has two secured loans held with CWB and BDC. CWB’s credit facility (the “**CWB Facility**”) consists of various demand loans comprising an operating line, term loan credit card and masterline equipment loan with a combined outstanding balance of approximately \$10.3 million as at the Receivership Date. The Company has an equipment loan with BDC (the “**BDC Loan**”) with an outstanding balance of approximately \$9.0 million as at the Receivership Date. Mr. Bob Lloyd, Mr. Carstairs and Mr. Jason Lloyd (collectively, the “**Owners**”) have personal guarantees in relation to the CWB Facility and the CWB Facility is also guaranteed by each of 150 AB, Barricade, Direct, and 555 MB.
17. CWB has an inter-creditor agreement with BDC which provides that CWB is to have a 1st priority charge against the Company’s accounts receivable and inventory and a 2nd priority charge on the Company’s fixed assets, while BDC is to have a 1st priority charge on the Company’s fixed assets and certain listed non-serial numbered inventory items and a 2nd priority charge as against the Company’s accounts receivable and inventory.
18. Further background to each of the Debtors and their operations are contained in the materials filed in support of the Interim Receivership Order and the Enhanced Powers Order. These documents, together with other publicly filed Court materials in these proceedings, including the Interim Receiver’s First Report, have been

posted on the Receiver's website at: www.alvarezandmarsal.com/bigbear (the "Receiver's Website").

INITIAL ACTIVITIES OF THE RECEIVER

19. Since the Receivership Date, the Receiver's activities have included but are not limited to the following:

- a) attending at, and taking possession and control of the Big Bear Facility and Barricade Facilities, which included among other things, restricting access to the premises, setting codes where appropriate, and engaging a third party security firm to monitor the Big Bear Facility and Barricade Facilities (as required);
- b) performing a physical walk-through of the Big Bear Facility and initial virtual walk-through of the Barricade Facilities to become knowledgeable of the Property. The Receiver arranged for further site visits with its representatives to physically attend the Barricade Facilities;
- c) hosting an initial meeting with the Company's employees to explain the powers and duties of the Receiver, including its role as an Officer of the Court;
- d) identifying employees of the Company to retain for the purpose of assisting the Receiver in carrying out its duties;
- e) terminating the employment of certain employees no longer required as a result of the Receivership Order being granted;
- f) engaging former Big Bear operational management as independent contractors at various locations across Alberta and British Columbia where operations were ongoing, to assist in identifying, preserving and protecting Big Bear's equipment and inventory (some of which was

kept at certain sites to complete jobs and some of which was moved back to the Big Bear Facility;

- g) conducting physical inventories of equipment and other assets on site and once returned to the Big Bear Facility and the Barricade Facilities;
- h) identifying all known corporate bank accounts of the Debtors and providing the respective bank representatives with notices to freeze all accounts for 'deposit only' and transfer any funds in these accounts to the Receiver;
- i) mailing the notices required by sections 245 and 246 of the BIA to the creditors of the Debtors and the Office of the Superintendent of Bankruptcy on February 10, 2022 (the "**Receiver's Notices**"). Copies of the Receiver's Notices can be found on the Receiver's Website;
- j) making arrangements with the landlords regarding temporary occupancy of the Big Bear Facility and Barricade Facilities;
- k) completing a filing index and organizing the Records (physical and electronic) located at the Big Bear Facility, which were previously in the possession of the Interim Receiver;
- l) communicating with certain suppliers regarding 30 day claim matters;
- m) delivering numerous demands for the return of Assets from various individuals and companies, including instructing former Big Bear employees and the Lloyds to return Assets back to the Big Bear Facility;
- n) providing instructions to the Receiver's Counsel in respect of the Receivership Proceedings;
- o) reviewing the Company's various projects as at the Receivership Date with former employees and contractors and determining which of the

ongoing projects would be completed (in whole or in part) by the Receiver. The evaluation of each project was based on an analysis of the net benefit to the estate and an assessment of the cost to complete versus projected recoveries. This required discussions and negotiations with the Company's customers to determine a suitable arrangement for the Receiver to carry out limited work on certain of these projects;

- p) communicating with the majority of the Company's customers to advise them of the Receivership Proceedings and request that they provide confirmation as to the accounts receivable outstanding with the Company to assist the Receiver in further reconciling and confirming the validity, existence and completeness of the Company's accounts receivable as recorded in the Company's accounting records;
- q) negotiating with customers to collect outstanding and confirmed accounts receivable and providing information to customers (to the extent available) that supported accounts receivable challenged by the customers;
- r) undertaking the day-to-day management of operations of the Company, including supervising contractors and employees, reviewing the preparation of field tickets and customer invoices and overseeing the payment of trade creditors and suppliers for goods and services rendered and approved by the Receiver;
- s) monitoring the cash flows of the Company and developing cash flow forecasting to manage future cash flow requirements of the Company;
- t) establishing a proposed Sales Process to sell the Assets and ensuring that Assets located in remote locations were returned to the Big Bear Facility and Barricade Facilities;

- u) communicating with the Canada Revenue Agency (“**CRA**”) to obtain access to the Debtors’ CRA accounts and requesting that that the CRA complete its respective source deduction and GST audits;
- v) completing an “as is where is “ asset sale, with the support of CWB and BDC, of an H2S scrubber owned by Big Bear and located in a remote area of Alberta to Petrospec Engineering Inc. for a purchase price of \$15,000 plus GST (the “**Petrospec Transaction**”). The Receiver evaluated the asset and compared the offer to the Big Bear desktop appraisal prepared by Freelance Appraisal Group in September 2021, along with the cost of demobilizing and transporting the asset back to the Big Bear Facility. Based on the Receiver’s analysis, the Petrospec Transaction was reasonable in the circumstances and the Receiver accepted the sale on the basis of its powers set out in paragraph 5(a)(i) of the Enhanced Powers Order;
- w) attending various meetings and communications with CWB and BDC, as the main creditor stakeholders, with respect to operational, financial and equipment / inventory count updates, and other matters in these proceedings;
- x) hosting multiple communication with the Owners in an attempt to collect certain assets owned by the Company in the Owners’ possession. To date, the Receiver has collected various pieces of equipment from the Owners. However, there remain several items which the Receiver has not yet collected and which the Owners claim were transferred to them and are no longer owned by the Company. The Receiver has yet to obtain proof of such transfer;
- y) communicating with Bob and Jason Lloyd’s new counsel, JSS Barristers (the “**Lloyds’ Counsel**”), providing them with an update on the Receivership Proceedings and responding to formal communication delivered to the Receiver by the Lloyds’ Counsel respecting various

concerns raised and allegations against the Receiver, as discussed further below; and

- z) attending numerous and on-going meetings and discussions with various creditors (or their representatives), the Receiver's Counsel, shareholders, current directors, interested parties and other stakeholders regarding the Receivership Proceedings.

Canada Revenue Agency (Potential Priority Payables)

20. Based on the Receiver's review of the Debtors' books and records, the Receiver determined that, prior to the Receivership Date, the last GST returns that were filed by the Debtors were:

- a) Big Bear - November 30, 2021;
- b) 555 MB - September 15, 2018;
- c) Direct - September 30, 2021; and
- d) 150 AB - March 31, 2021;

21. Barricade is an entity registered in the United States and therefore does not have a GST account with the CRA.

22. The Receiver is in the process of completing and filing all remaining "pre-receivership" GST returns as required by CRA.

23. As at April 14, 2022, the Receiver's understands that the following remains outstanding to CRA:

- a) Big Bear:
 - i. GST – approximately \$630,000
 - ii. Source Deductions – \$119

- b) 555 MB:
 - i. GST – approximately \$3,600
 - ii. Source Deductions – \$0
- c) Direct:
 - i. GST – \$0
 - ii. Source Deductions – \$0
- d) 150 AB:
 - i. GST – \$0
 - ii. Source Deductions – \$0

24. On February 22, 2022, the Receiver contacted the CRA and requested that an audit of Big Bear, 555 MB, Direct and 150 AB’s GST and source deduction accounts be completed. The CRA has confirmed they are in receipt of the Receiver’s request and have advised they will schedule an audit for the source deductions accounts of Big Bear, Direct and 150 AB in the coming weeks. The Receiver notes that the GST outstanding as indicated above may likely change once the Receiver is able to complete and file the remaining outstanding GST returns and once CRA is able to complete the GST audit.

Employees, Wage Earner Protection Program & s. 81.4(1) BIA Priority Claims

25. As at the Receivership Date, the Company employed approximately 100 employees who were responsible for administration and field operations. The Receiver terminated 71 employees shortly after the Receivership Date and retained 29 individuals as employees and independent contractors to assist during the Receivership Proceedings.

26. As of the date of this Report, the Receiver continues to engage 7 employees and independent contractors to assist with the remaining matters in the Receivership Proceedings. The Receiver, with the assistance of certain independent contractors, have prepared and submitted all outstanding records of employment and the employees' T4 notices for tax purposes. Starting the week of April 25, 2022, the Receiver will be reducing its staffing needs to two full-time employees (shop and equipment) and three part-time contractors (administrative staff) to be used on an "as needed" basis.
27. The Receiver has also prepared and delivered the required information packages with respect to the Wage Earner Protection Program ("WEPP") to all eligible terminated Big Bear employees. The former employees of Big Bear were also provided with a proof of claim form. To date, the total combined WEPP proof of claims filed against Big Bear are approximately \$309,000, of which approximately \$7,000 appears to be priority claims under the BIA and the remaining \$302,000 relates to the unsecured portion of the claims filed. As of the date of this Report, the Receiver has not received a statement of account from Service Canada, which confirms the priority and unsecured balance portion outstanding. The Receiver will report to the Court once these balances have been confirmed by Service Canada.
28. There are no WEPP claims for 550 MB, 150 AB and Direct as there are no employees of these entities that would qualify for such claim. Barricade employees do not qualify for WEPP as the employees are US citizens working for a US company.

Leasing & Financing Agreements

Facility Leases

29. As previously discussed, the Company leased the Big Bear Facility and the Barricade Facilities. The Receiver has made arrangements with the landlords of the respective facilities to pay occupancy rent until such time as the Receiver is able to vacate the facilities. The monthly rent for the Big Bear Facility is \$19,785 and the

monthly rent for the Barricade Facilities located in Cheyenne, Wyoming and Williston, North Dakota are \$10,868 and \$11,320, respectively.

Equipment – Truck and Skid Steers

30. As at the Receivership Date, Barricade had leasing and/or financing agreements with two companies in respect of one truck and four skid steer loaders (the “**Leased Assets**”). The two leasing/financing companies are:
- a) Volvo Financial Services – 4 skid steers; and
 - b) Red Rock Ford Inc. – 1 truck
31. The Receiver plans to communicate with each of these two lessors with respect to the status of the Leased Assets and the Receiver’s intention regarding next steps related to the Leased Assets will include a review of their associated agreements and potential security review.

Corporate Insurance Coverage

32. The Company has two comprehensive corporate insurance policies in place for its operating entities in Canada and the United States, and a separate automobile policy for Direct. The policies are summarized below:
- a) A comprehensive insurance policy for Big Bear and 150 AB (collectively, the “**Big Bear Insurance Policy**”), which consists of general, automobile, equipment, contractor’s pollution, motor truck cargo and umbrella liability insurance. The Big Bear Insurance Policy is brokered by HUB international and expires on June 19, 2022. The monthly insurance premiums are approximately \$28,000. The Receiver is currently in discussions with HUB international to extend the Big Bear Insurance policy to align with the completion of the proposed Sales Process;

- b) A comprehensive insurance policy for Barricade (the “**Barricade Insurance Policy**”), which consists of lead excess, general, automobile and employer liability insurance. The Barricade Corporate Insurance Policy is brokered by RT Speciality and expires on August 22, 2022. The monthly insurance premiums are approximately \$22,000; and
 - c) A commercial automobile insurance policy for Direct (the “**Direct Insurance Policy**”), which expires on September 14, 2022. The monthly insurance premium for this policy is \$117 and covers a single vehicle (2012 Ford F150).
33. On February 10, 2022, the Receiver was named the beneficiary and the first-loss payee of the Big Bear Insurance Policy, Barricade Insurance Policy and Direct Insurance Policy.
34. The Receiver has conducted a preliminary review of the Big Bear Insurance Policy, Barricade Insurance Policy and Direct Insurance Policy, and based on its review, it appears that these insurance policies were appropriate during the stages of the Receivership Proceedings, with the exception of the Big Bear Insurance Policy. The insurer advised the Receiver that the Company did not have environmental impairment liability insurance respecting the Big Bear Insurance Policy, and according to the lease agreement for the Big Bear Facility, it was required to do so. The Receiver is working with the insurer to determine the cost of this add on to the insurance policy, along with other coverages that the Receiver may not require going forward.
35. The Receiver is currently working with the insurance providers to reduce the premiums on the Big Bear Insurance Policy, Barricade Insurance Policy and Direct Insurance Policy as all of the Assets have now been returned to the Big Bear Facility and Barricade Facilities and the Company is no longer operational.

Books and Records

36. Summarized in the table below is the estimated book value of assets from the Debtors' respective balance sheets as at February 4, 2022. The asset values listed in the below chart are recorded on a "net book value" basis and have not been audited or have not otherwise been verified as to their accuracy. The net book values for each of the listed assets may not approximate their market and/or realizable value and these values may differ significantly.

Big Bear, Barricade, 555 MB, Direct and 150 AB - In Receivership						
Preliminary Balance Sheet, as at February 4, 2022						
CAD \$000's						
	Notes	Big Bear	Barricade	555 MB	Direct	150 AB
Assets						
Cash		45	18	5	0	14
Accounts Receivable	A; B	9,274	2,247	-	-	-
Inventory		2,431	2,440	-	-	-
Intercompany Receivables		9,877	-	-	5,129	-
Investments		-	-	-	442	4,176
Prepaid Expenses		308	315	-	-	-
Net Fixed Assets		8,346	1,864	7	-	354
Other		131	-	-	29	4
Total Assets		30,412	6,884	12	5,599	4,548
Liabilities						
Secured Creditors	C	19,300	19,300	10,300	10,300	10,300
Unsecured Creditors	D	2,589	240	-	-	-
Canada Revenue Agency		693	-	4	-	-
Total Liabilities		22,582	19,540	10,304	10,300	10,300
Notes						
(A) Includes work in progress invoiced by the Receiver.						
(B) Approximately \$5.4 million of the Big Bear and Barricade accounts receivable appear to be supported with source documentation, while approximately \$6.1 million do not appear to have any support to substantiate its existence and validity (4000/4100 Invoices).						
(C) Liabilities may materially differ from the above estimated book value.						
(D) Secured Creditors are comprised of secured amounts due to CWB and BDC.						

36. The Debtors' most significant assets appear to be its supported accounts receivable, inventory and fixed assets. The Receiver is currently investigating the collectability of all accounts receivable and anticipated realizations of the Debtors' assets and anticipates that values realized (on all assets) may differ substantially from what has been listed within the preliminary balance sheet, as at February 4, 2022.
37. Highlights of Big Bear and Barricades' key assets are as follows:

- a) **Accounts Receivable (Supported and Unsupported).** The Receiver conducted further analysis of the Company's accounts receivable as at February 4, 2022 with the assistance of the Company's accounts receivable administrator, operations administrator and operations managers. This analysis was in addition to, and supplemented the work that was conducted and disclosed by the Interim Receiver in the Interim Receiver's First Report.

Based on the Receiver's continued review of the Company's accounts receivable, the Receiver has been unable to obtain any support for those receivables that are classified in the Company's accounting records as '4000' and '4100' invoices (the unsupported invoices). The Company's supported invoices total approximately \$5.4 million and its unsupported invoices recorded in the Company's accounting general ledger total approximately \$6.1 million. A detailed update on the Receiver's efforts with respect to accounts receivable is discussed in more detail below;

- b) **Inventory and Net Fixed Assets.** Throughout the Receivership Proceedings, the Receiver has identified, located and secured the majority of the Company's existing Assets from various remote locations in Canada and the United States to the Big Bear Facility and Barricade Facilities. A detailed update on the Receiver's efforts with respect to tracking and collecting the Assets is discussed below;
- c) **Intercompany Receivables.** The Receiver understands that intercompany receivables are comprised of approximately \$2.9 million due from 150 AB, approximately \$6.9 million due from Direct and approximately \$153,000 due from Techflow E.S. Inc. ("**Techflow**"). The Receiver is in the process of conducting a thorough review and investigation of the amount due from Techflow and will report to the Court with its findings. The amounts due from 150 AB and Direct do

not appear to be collectible, however, further review is being conducted by the Receiver to confirm.

38. Highlights of the remaining Debtor's key assets are as follows:

a) **555 MB:**

- i. Cash and Net Fixed Assets. The Receiver has secured the cash from 555 MB's bank accounts and understands that the Net Fixed Assets are comprised of immaterial and older office furniture and equipment.

b) **Direct:**

- i. Intercompany Receivables. The entirety of this balance is due from Barricade to Direct and it does not appear this balance will be collectible as Barricade does not have the funds required to make this payment.
- ii. Investments. This relates to Direct's investment in Barricade. Based on the journal entries in the Company's accounting software, Direct made this investment on March 31, 2020. It does not appear, at this time, there is any share value of Barricade that may flow up to Direct.

c) **150 AB:**

- i. Investments. This relates to 150 AB's investment in Big Bear. Based on the journal entries in the Company's accounting software, 150 AB made this investment on March 31, 2015. The Receiver understands that this investment is related to 150's purchase of Big Bear from its former owners. Big Bear is insolvent, and it is currently unknown as to whether there will be any value that will flow from Big Bear to 150 AB.

- ii. Net Fixed Assets. The Receiver understands that the Net Fixed Assets are comprised of hoses and two frac water heaters. The Receiver has identified and located the two frac water heaters and certain of the hoses. A detailed update on the Receiver's efforts to track and collect the Assets is discussed below.

Independent Appraisals

39. Shortly after the Receivership Date, the Receiver engaged GD Auctions & Appraisals ("**GD Auctions**") and Century Services Corp. ("**Century Services**") to conduct independent desktop appraisals of the Assets located in Fort St. John, British Columbia (the "**FSJ Desktop Appraisals**") and the United States (the "**USA Desktop Appraisal**"). The FSJ Desktop Appraisals and the USA Desktop Appraisals were obtained to consider certain unsolicited offers on the Fort St. John assets, to conduct lease equity analysis and to obtain a better understanding of the asset values in the US. In addition, between April 5, 2022 and April 7, 2022, the Receiver arranged for GD Auctions to visit and inspect all of the Assets located in the United States and to further ensure the Assets were secured and protected. During its inspections, the Receiver asked GD Auction to update its USA Desktop Appraisal to include a more comprehensive forced liquidation value ("**FLV**") appraisal of the Assets (the "**USA FLV Appraisal**"). The FSJ Desktop Appraisals and USA FLV Appraisal are attached to this Report as Confidential Appendices 1 and 2, respectively.
40. The Receiver also reviewed the three desktop appraisals prepared for the Company by Freelance Appraisal Group Inc. between August and September 2021 (the "**Freelance Desktop Appraisals**") to understand the value of all the Assets, as well as consider unsolicited offers on the Assets located in Fort St. John. The Freelance Desktop Appraisals are attached to this Report as Confidential Appendix 3.
41. The Receiver is of the view that if the information contained in the FSJ Desktop Appraisals, the USA FLV Appraisal and the Freelance Desktop Appraisals is publicly disclosed prior to the conclusion of the proposed Sales Process, such

disclosure could materially and negatively jeopardize the outcome of the Sales Process. As such, the Receiver is of the view that the values in the FSJ Desktop Appraisals, the USA FLV Appraisal and the Freelance Desktop Appraisals are commercially sensitive, and therefore, respectively requests that the Court grant the Restricted Court Access Order to seal Confidential Appendices 1, 2 and 3.

BIG BEAR OPERATIONAL UPDATE

Overview

42. As at the Receivership Date, the Receiver determined that Big Bear had 5 ongoing water pumping jobs located at 3 remote locations in Alberta and British Columbia (the “**Active Projects**”). In addition to the Active Projects, Big Bear had upcoming jobs with Spartan Delta Corp (“**Spartan**”) and Whitecap Resources Inc. (“**Whitecap**”), as well as an unsigned contract for flood mitigation work to be completed for the Regional Municipality of Wood Buffalo (“**RMWB**”) (collectively, the “**Upcoming Projects**”).
43. The table below sets out the description, location, status and estimated remaining length of the Active Projects as at the Receivership Date.

Job Number	Customer	Description	Location	Status	Estimated Days to Completion
1	Blu-Water LP	Conoco Long Line Pumping Operations	Fort St. John Area, BC	Rig In Complete	60 to 75 days
2	Blu-Water LP	Conoco Circulation Move	Fort St. John Area, BC	Pumping Phase	60 to 75 days
3	Blu-Water LP	Tourmaline Pumping Operations	Fort St. John Area, BC	Pumping Complete	1 to 5 days
4	Taqa North Ltd.	1-19 Well Site Pumping Operations	Rocky Mountain House Area, AB	Pumping Phase	8 to 10 days
5	Dakow Ventures Ltd.	Pump Watch	Fox Creek Area, AB	Pumping Phase	15 to 30 days

Active Projects

Job #1-#3: Blu-Water Project

44. The Blu-Water project (“**Blu-Water Project**”) consisted of 3 ongoing jobs in which Big Bear had been subcontracted by Blu-Water to provide water pumping services for Conoco and Tourmaline in Fort St. John, BC. Blu-Water is the Prime contractor and holds the contracts with Conoco and Tourmaline. Big Bear and Blu-

Water did not have a formal written contract between them; however, the Receiver understands that Big Bear was working with Blu-Water on a larger 5-year joint venture agreement to complete multiple projects in the Fort St. John area (the “**JV Agreement**”) and that the JV Agreement was finalized and agreed to by the parties as at the Receivership Date. On February 5, 2022, the Receiver requested a copy of the JV Agreement from Mr. Bob Lloyd but has yet to receive it as of the date of this Report nor has the Receiver been able to locate a copy of such draft JV Agreement in the Company’s books and records.

45. As at the Receivership Date, Big Bear had just commenced work on Jobs #1 and #2 of the Blu-Water Project (collectively, the “**Conoco Job**”), and was expected to complete within 60 to 75 days, assuming no unforeseen operational delays. Job #3 of the Blu-Water Project (the “**Tourmaline Job**”) was well underway and only had several days left to complete. There were six Big Bear field employees and six subcontractors on the Conoco Jobs and one Big Bear employee on the Tourmaline Job.
46. On February 5, 2022, the Receiver sent one of the Company’s operations managers to Fort St. John to secure and create a complete listing of all of the Assets located at this site as there was no complete asset listing available as at the Receivership Date. On the same day, the Receiver held a meeting with Blu-Water and Dakow’s management team to advise them of the Receivership Proceedings, the Receiver’s requirement to preserve and protect the assets located on the job site, discuss next steps on the Conoco Job and the Tourmaline Job, and address the collection of all outstanding accounts receivable. As at the Receivership Date, Big Bear’s books and records indicated approximately \$583,000 and \$258,000 of supported accounts receivable (including un-invoiced work in progress), were owed to Big Bear by Blu-Water and Dakow, respectively. Blu-Water management indicated that they wished to work with the Receiver to arrange for an orderly transition of the Conoco Job and Tourmaline Job, as it was their desire to minimize disruption and any financial impact of the receivership on their job and their relationship with their

customer. The Receiver's analysis and actions with respect to the Conoco Job and Tourmaline Job are set out in detail below.

Conoco Job

47. Based on Big Bear's books and records, top line potential revenue to complete this work was estimated at approximately \$1.7 million, with possible gross margin (before general and administrative expenses) of approximately \$250,000 to \$375,000. However, based on the Receiver's review and discussion with its contractors (former employees of Big Bear), there were many unknowns and risks associated with the Receiver continuing this job. In particular, and as reported in the Interim Receiver's First Report, the Company's books and records were not updated for several months and it was difficult for the Receiver to evaluate the actual costs incurred to date on this project and whether the bidding package and Big Bear's estimated gross margin was accurate and achievable. This project required the continued engagement of approximately 13 Big Bear field staff, the continued rental and use of Big Bear equipment and further required that all relevant insurance be maintained.
48. Based on the Receiver's evaluation of the project, the field staff's willingness to continue with Big Bear (in receivership), the lack of sufficient information to verify costs to complete, and the unknown risk of cost-overruns, the Receiver determined it would not complete this job, 'as is'. Instead, the Receiver negotiated a different, less risky, arrangement in which the Receiver agreed to rent equipment to Blu-Water, while allowing Blu-Water to make alternative arrangements with its operations (including the transition of Big Bear employees to Blu-Water's payroll). This decision allowed for the protection of the Big Bear assets, continued cooperation by Blu- Water and Dakow respecting the evaluation and settlement of outstanding accounts receivable and, ultimately, for the negotiation of a proposed transaction to sell the assets currently in use on the Conoco Job to Blu-Water and Dakow. It is this transaction for which the Receiver seeks court approval, as discussed further below.

49. On February 8, 2022, the Receiver terminated all field employees on the Conoco Job and began invoicing Blu-Water solely for the rental of its equipment. The Receiver has invoiced Blu-Water in the approximately amount of \$102,000 for the rental of the Big Bear equipment on the Conoco Job. Total outstanding accounts receivable owed on the Conoco Project to Big Bear is approximately \$228,000, before adjustments negotiated as part of settlement claims, discussed further below.

Tourmaline Job

50. As at the Receivership Date, the water pumping phase of the Tourmaline Job (Job #3) had largely concluded and very little was remaining to be completed. The Receiver advised Blu-Water that it intended to complete this job in good-faith while transitioning off the Conoco Job. On February 5, 2022, the Receiver completed the remaining work on the Tourmaline Job and terminated the sole field employee on location. The total outstanding to be collected on this job from Blu-Water is approximately \$479,000, approximately \$170,000 of which the Receiver has collected to date.

Job #4: TAQA North Project

51. The TAQA North project (“**TAQA Project**”) involved one ongoing job in which Big Bear provided water pumping services to TAQA North Ltd. (“**TAQA**”) at various well sites in the west central area of Alberta pursuant to a Master Services Agreement (“**MSA**”) between Big Bear and TAQA dated January 18, 2021. As at the Receivership Date, approximately 17 Big Bear employees were working on site on the water pumping phase of the job, located at the 1-19-40-9W5 well site (the “**TAQA 1-19 Job**”).
52. The Receiver reviewed the job specifications based on available information in the bid package prepared for the TAQA 1-19 Job and determined it would complete the job for the following reasons:
- a) the TAQA 1-19 Job was in the middle of the water pumping phase and would conclude in approximately 8 to 10 days;

- b) the TAQA 1-19 Job was located approximately 3 to 4 hours from the Big Bear Facility and could be easily monitored by the Receiver;
 - c) failing to complete the TAQA 1-19 Job could lead to potential set-off claims from TAQA, which would place up to approximately \$243,000 of work in progress (as at the Receivership Date) at risk; and
 - d) by completing this job, Big Bear could generate approximately \$119,000 in additional top line revenue and a potential gross profit margin of approximately \$54,000 before general and administrative expenses, in addition to collecting the work in progress of approximately \$243,000.
53. On February 5, 2022, the Receiver instructed the Company's operations managers to travel to the TAQA 1-19 Job site to inform the field employees and the TAQA site supervisor of the Receivership Proceedings (with the Receiver available virtually to host discussions with these individuals) and ensure the Assets were secured. The Receiver communicated directly to the TAQA site supervisor and advised him that the Receiver was planning to complete the TAQA 1-19 Job and would be willing to work with TAQA on an orderly transition off the TAQA Project.

New TAQA Job

54. On February 7, 2022, the Receiver received a call from Mr. Pat Breen (“**Mr. Breen**”), TAQA's Senior Vice President of operations. Mr. Breen advised the Receiver that TAQA hoped it could continue working with the Receiver, after the TAQA 1-19 Job concluded, to complete an additional job located at the 4-1-41-10W5 well site (the “**TAQA 4-1 Job**”). Mr. Breen informed the Receiver that, should Big Bear not complete TAQA 4-1 Job, TAQA would incur significant costs to source the work to an alternative water pumping company and would likely experience delays to their drilling program scheduled for June. Mr. Breen expressed its desire to work with the Receiver and that TAQA was highly motivated

to enter into an arrangement with the Receiver that could be considered a “win win” between the parties so that the TAQA 4-1 job could be completed.

55. Based on its review of the bid package prepared for the TAQA 4-1 Job, the Receiver understood that the job would be approximately 20 to 30 days in duration and Big Bear could earn approximately \$260,000 in revenue and a potential gross profit margin of approximately \$120,000 before general and administrative expenses. The Receiver agreed to complete the TAQA 4-1 Job as it would generate additional needed funds to the estate in a short timeframe, with little operational and financial risk, subject to TAQA agreeing to an amended MSA to include the following terms and conditions:

- a) immediate payment of all outstanding accounts receivable totalling approximately \$354,000 to the Receiver;
- b) weekly payment of all future invoices via TAQA’s ‘quick pay’ process;
- c) TAQA entering into an amended Master Services Agreement (the “**Amended MSA**”) with TAQA for the remainder of the Receivership Proceedings; and
- d) TAQA would arrange for and pay for all costs related to demobilizing Big Bear’s equipment at the TAQA Project back to the Big Bear Facility (as the Receiver no longer had remaining field staff to assist with the demobilization). These costs were estimated to be approximately \$50,000.

56. TAQA agreed to the above terms and conditions and proceeded to remit payment to the Receiver for all outstanding invoices on February 16, 2022. Future invoices related to the TAQA 4-1 Job totalling \$264,037 were consistently paid on a weekly basis, which was critical to funding ongoing operations in the Receivership Proceedings. On March 5, 2022, the Receiver completed the TAQA 4-1 Job and proceeded to demobilize and terminate the field employees working on site in order to reduce operational costs.

57. On March 28, 2022, TAQA began to demobilize the Assets located at the TAQA Project site, with the assistance of Torrent Fluid Solutions Inc. (“**Torrent**”). TAQA contracted Torrent directly (at TAQA’s sole cost), to demobilize the Assets located at the TAQA Project site and transport them back to the Big Bear Facility. The Receiver understood that Torrent’s owners and employees were ex-Big Bear employees who intimately understood the equipment and laydown of the Assets. On this basis, the Receiver agreed that Torrent was best suited for the task of demobilizing and did not object to TAQA engaging Torrent for this demobilization role. On April 7, 2022, all of the Assets located on the TAQA Project site were transported back by Torrent to the Big Bear Facility.

Job #5: Dakow Project

58. The Dakow project (“**Dakow Project**”) consisted of one job, in which Big Bear provided manpower services on a water pumping job for Triple J Pipelines (2019) Inc. (“**Triple J**”) in Fox Creek, AB. Dakow is the Prime contractor and holds the contract with Triple J. The Receiver understands that Big Bear does not have a formal contract in place with Dakow and the Dakow Project was conducted on a ‘call-out’ basis. As at the Receivership Date, there were four field employees and two Big Bear trucks on location at the Dakow Project.
59. Given the length of time remaining to complete the Dakow Project (15 to 30 days), and the fact that Big Bear was only providing manpower services to Dakow, the Receiver determined that it would not complete the Dakow Project. The Receiver determined that should it continue to provide staffing to complete this work, the net gross margin to the estate would be approximately \$50,000; however, the work would have been very difficult to complete as the Big Bear employees involved on the job advised the Receiver that they no longer wished to work for Big Bear, largely as a result of the Receivership Proceedings.
60. On or around February 8, the Receiver advised Mr. David Kowalski (“**Mr. Kowalski**”), the majority owner of Dakow, that it would not complete the Dakow

Project and planned to terminate the field employees on site once the 2 trucks had been returned to the Big Bear Facility. This was acceptable to Dakow.

61. Shortly thereafter, the four employees on the Dakow Project resigned from Big Bear and joined Dakow. The Receiver provided an orderly transition to limit any disruption to Dakow's operations and impact to its customer. This cooperation also assisted in the mitigation of any potential set-off claims Dakow may have asserted against the \$258,000 in accounts receivable owing to Big Bear as at the Receivership Date.

Upcoming Projects

Spartan Project

62. Shortly after the Receivership Date, the Receiver was informed by the Company's operations manager that Big Bear had been scheduled to provide water pumping services to Spartan at their 2-30-44-9W5 well site located in west central Alberta starting on or around February 14, 2022 (the "**Spartan Project**"). The Receiver was advised that Big Bear did not have a contract in place with Spartan and had been working with them on a 'call-out' basis. As at the Receivership Date, Big Bear had various Assets located at the Spartan site, including but not limited to water pumps, hoses, reels, fittings and adapters.
63. On February 9, 2022 the Receiver communicated with Mr. Blair Mountain ("**Mr. Mountain**"), the completions engineer responsible for the Spartan Project, regarding Spartan's plans for upcoming jobs and whether Spartan wanted the Receiver to start this work. Mr. Mountain advised that Spartan did not wish for Big Bear (by or through the Receiver) to complete the Spartan Project and that they would look to engage another water pumping company going forward.

Whitecap Project

64. On February 7, 2022, the Receiver was informed by Big Bear's operations manager that Big Bear had been scheduled to provide water pumping services to Whitecap

at their well site located in the Sundre, AB area starting on or around February 15, 2022 (the “**Whitecap Project**”). The Receiver was advised that Big Bear did not have a contract in place with Whitecap and had been working with them on a ‘call-out’ basis, with supporting bid packages for pricing. As at the Receivership Date, Big Bear did not have any assets located at the Whitecap Project. The last job Big Bear conducted for Whitecap was completed on or around January 23, 2022 and all assets had been demobilized and returned back to the Big Bear Facility prior to the Receivership Date.

65. On February 9, 2022, the Receiver contacted Mr. Rob Schulz at Whitecap to discuss the Whitecap Project. Mr. Schulz advised the Receiver that Whitecap did not wish to engage Big Bear (by or through the Receiver) to complete the Whitecap Project and that they would be engaging another water pumping company to complete this work.

Regional Municipality of Wood Buffalo

66. On February 9, 2022, the Receiver contacted Ms. Caitlin Hanly (“**Ms. Hanly**”), municipal legal counsel to RMWB, regarding a flood mitigation job that the Receiver understood by Big Bear was supposed to start in March 2022 (the “**RMWB Project**”). Ms. Hanly informed the Receiver that while Big Bear had provided RMWB with a proposal for the RMWB Project, RMWB had not finalized the contract for services with Big Bear and there was no sign-off provided for future projects. Furthermore, Ms. Hanly advised the Receiver that the sponsoring RMWB department would be looking for an alternate service provider to complete the RMWB project.

BARRICADE OPERATIONAL UPDATE

67. As at the Receivership Date, the Receiver was not aware of any ongoing projects in the United States. The Receiver discussed the operations with the current employees of Barricade and understood that all projects had previously been completed and there were no ongoing or future projects.

68. Shortly after the Receivership Date, the Receiver contacted each of the landlords at the three US storage facility locations in Georgetown, Texas, Williston, North Dakota, and Cheyenne, Wyoming to provide notice of the Receivership Proceedings and to take steps to secure the Assets. As previously discussed, Barricade had six employees as at Receivership Date. The Receiver arranged for Barricade's general manager and two employees to complete a preliminary Asset listing and inventory count at each of the locations as one did not exist as at the Receivership Date. The remaining staff of Barricade were terminated by the Receiver shortly after the Receivership Date.
69. From the Receivership Date to February 22, 2022, the general manager and two employees attended the three storage facilities and provided the Receiver with a virtual tour of the locations of all the located Assets. Upon the Receiver obtaining comfort that all of the assets were properly secured and protected, the Receiver arranged to have the Barricade employees' laptops, shop and equipment keys and other assets returned to the Receiver, the Receiver paid the employees for their services rendered during the Receivership Proceedings and terminated their employment with Barricade. The Receiver subsequently hired two independent contractors to assist in ensuring the Assets remained and continue to remain properly secured and protected.
70. Through the use of its independent contractors, the Receiver made arrangements to relocate the Assets located in Georgetown, Texas, comprising of three trucks and two trailers, to the secure warehouse in Cheyenne, Wyoming, as the Texas lease was to expire on March 31, 2022.
71. As previously mentioned, the independent contractors were deployed to the North Dakota facility and the Wyoming facility to change the locks and keys and to prepare an inventory count and Asset listing. The independent contractors attend each of the facilities on a weekly basis and are available to attend more frequently as required by the Receiver.

ACCOUNTS RECEIVABLE UPDATE

Overview

72. Since the Receivership Date, the Receiver has continued to review the Records and further investigate all accounts receivable alleged to be owed by customers to Big Bear and Barricade. The Receiver’s analysis in this Report expands on the efforts made by the Interim Receiver and should be read in conjunction with the Interim Receiver’s First Report to evaluate the existence and/or collectability of the Company’s accounts receivable. These efforts include expanding efforts to evaluate ‘work in progress’ (“**WIP**”), which represents work that may have been completed but not yet invoiced by the Company, and to further review invoices labelled ‘4000’ and ‘4100’ invoices (the “**4000/4100 Invoices**”), which as discussed in the Interim Receiver’s First Report, are invoices that have been recorded by the Company in their accounting system, but with no apparent support or back-up.
73. Specifically, the Receiver continued its investigation to include, but not limited to, the following activities:
- a) Discussions and/or correspondence with:
 - i. former employees of the Company who were involved in the revenue generation cycle and recording of accounts receivable in the Company’s accounting record system;
 - ii. operations managers and team members who were responsible for managing each job and the preparation of daily job field tickets that initiates the recording of revenue and generation of WIP and outstanding accounts receivable balances;
 - iii. numerous customers to verify and collect accounts receivable balances contained in the Company’s accounting records as owed and outstanding prior to the Receivership Date (the “**Pre-Receivership A/R**”); and

- iv. customers to collect accounts receivable generated by the Receiver after the Receivership Date (the “**Post-Receivership A/R**”);
- b) reviewing and evaluating:
 - i. the Company’s job tracking system (“**JobuTrax**”) to identify all WIP as at the Receivership Date;
 - ii. the invoicing of WIP and collection of these amounts in the Receivership Proceedings; and
 - iii. existing accounts receivable and the Receiver’s collection efforts, including the filing of liens as required;

Summary of Accounts Receivable

Big Bear et al. Summary Accounts Receivable Balances as at February 4, 2022 in CAD \$000's					
	Notes	Opening A/R Feb 4	Less: 4000/4100 Invoices	Add: WIP Invoiced by Receiver	Adjusted Opening AR Feb 4/22
Big Bear Energy Rentals Ltd.	A	7,573	4,163	1,707	5,118
Barricade Environmental Ltd.	B	2,088	1,963	159	284
Total		9,661	6,126	1,866	5,401

Notes

(A) Adjusted Opening A/R Feb 4/22 includes \$150,000 inter-company receivable balance owing from Barricade to Big Bear.

(B) Barricade Environmental Ltd. amounts translated from USD to CAD using a FX rate of 1.28.

74. The above chart summarizes the Company’s accounts receivable as at the Receivership, less unsubstantiated invoices recorded in the Company’s accounting records (the 4000/4100 invoices) and WIP not previously invoiced and recorded by the Company, but recently updated by the Receiver and its contractors. The updated supportable accounts receivable (inclusive of WIP) as at the Receivership Date was approximately \$5.4 million.

Pre-Receivership A/R Invoices

75. The Receiver has identified approximately \$9.6 million of accounts receivable recorded in the Company’s accounting system. Of this number, \$3.5 million appears to be supported with source documents and the remaining approximately \$6.1 million do not have support (4000/4100 Invoices). The 4000/4100 Invoices were the same invoices and amounts identified by the Interim Receiver and disclosed in the Interim Receiver’s First Report as shown as outstanding as at November 30, 2021.

76. A summary of the opening accounts receivable is summarized below:

Big Bear et al.					
Summary Accounts Receivable					
as at February 4, 2022					
<i>in CAD \$000's</i>					
	Notes	Supported Invoices	4000 Invoices	4100 Invoices	Total
Big Bear Energy Rentals Ltd.	A; B	3,410	3,903	260	7,573
Barricade Environmental Ltd.	A; C	125	1,963	-	2,088
Total		3,535	5,865	260	9,661

Notes

(A) Supported invoices are considered invoices that appear to be supported by source documents (invoices and field tickets) and appear to constitute regular accounts receivable.

(B) Adjusted Opening A/R Feb 4/22 includes \$150,000 inter-company receivable balance owing from Barricade to Big Bear.

(C) Barricade Environmental Ltd. amounts translated from USD to CAD using a FX rate of 1.28.

77. Notwithstanding the Receiver could not identify any support for the 4000/4100 Invoices in the Company’s records, the Receiver attempted to seek additional clarification and/or evidence from the Company’s customers respecting the validity and existence of the 4000/4100 Invoices.

78. Specifically, the Receiver sent 18 letters to the Company’s customers seeking confirmation of all the invoices showing as outstanding and owing by the customers to the Company, including the 4000/4100 Invoices (the “**A/R Confirmation Letters**”). There are 38 individual customers with outstanding accounts receivable balances due to the Company, however, the 18 customers represent a significant amount of the total outstanding accounts receivable of the Company (61%) based on its books and records. Of the remaining accounts receivable, the majority of this balance (approximately 30%) is comprised of amounts due from Spartan and Pine

Cliff Energy (“**Pine Cliff**”), for which the Receiver has filed liens for outstanding accounts receivable, as discussed below.

79. As of the date of this Report, 11 customers responded to the A/R Confirmation Letters. These 11 customers represent approximately 50% of the total accounts receivable outstanding on the Company’s books and records as at February 4, 2022. Copies of all A/R Confirmation Letters received to date is attached as Appendix A to this Report.

80. The table below outlines a detailed listing of all the customers supportable invoices, 4000/4100 Invoices and the confirmation of the amounts outstanding by the eleven customers that responded to the A/R Confirmation Letters:

Big Bear et al.
Summary Accounts Receivable Balance Confirmations
as at February 4, 2022
in CAD \$000's

Customer Name	Notes	Adjusted Opening A/R Balance Feb 4/22	4000/4100 Invoices	Total	Customer A/R Balance Confirmation	Variance
<u>A/R Confirmation Letter Received</u>						
Blu-Water LP LTD		479	760	1,238	462	(776)
Clean Harbors Energy & Industrial		52	1,147	1,200	-	(1,200)
Continental Resources Inc.	A	-	962	962	-	(962)
Loyal Energy Canada Operating		-	4	4	-	(4)
Petrus Resources Ltd.	B	45	109	154	45	(109)
Safeguard Advanced Training and Consulting Ltd		-	4	4	-	(4)
Tangle Creek Energy Ltd.		-	93	93	-	(93)
Taqa North Ltd.		243	549	792	243	(549)
Total Oilfield Rentals Ltd.		6	6	12	6	(6)
Wildcat Fire Services Inc.		-	190	190	-	(190)
WhiteCap Resources Inc.		412	427	838	412	(427)
SubTotal		1,237	4,251	5,488	1,168	(4,320)
<u>A/R Confirmation Letter Outstanding</u>						
Advanced Energy LLC	A	10	2	11	-	N/A
EOG Resources Inc.	A	-	130	130	-	N/A
FEMA	A	-	445	445	-	N/A
Fraction Energy Services		-	3	3	-	N/A
Hydro Line LLC/US Energy	A	-	49	49	-	N/A
New Wave Energy Services Ltd.		8	2	10	-	N/A
NexTier Oilfield Solutions	A	42	375	417	-	N/A
SubTotal		60	1,005	1,065	-	-
<u>A/R Confirmation Letter Not Sent</u>						
CNRL	C	151	33	183	-	N/A
Pine Cliff Energy	C	557	165	722	-	N/A
Winslow Resources Inc. c/o Spartan Delta	C	2,485	672	3,157	-	N/A
Other A/R	D	912	-	-	-	N/A
SubTotal		4,105	870	4,062	-	-
Total		5,401	6,126	10,615	1,168	(4,320)

Notes

(A) Barricade Environmental Ltd. amounts translated from USD to CAD using a FX rate of 1.28.

(B) Petrus Resources Ltd. confirmed \$0 A/R balance as at February 4, 2022. A cheque of approximately \$45,000 for payment of supported invoices was issued by Petrus on January 31, 2022 but was not received by the Receiver until February 11, 2022.

(C) Due to disputed amounts with CNRL, Pine Cliff and Spartan, A/R Confirmation letters were not sent to these customers which represent approximately \$870,000 of the 4000/4100 Invoices.

(D) Other A/R is comprised primarily of amounts due from Dakow (\$260K), Barricade intercompany (\$150K), Rev Energy Services (\$120K), Castlegate Energy Ltd. (\$90K), Brickellhouse Condominium Association Inc. (\$105K).

81. As noted in the chart above, the variance column outlines approximately \$4.3 million in disputed accounts receivable. These disputed accounts receivable relate to 4000/4100 Invoices and certain other smaller supportable accounts receivable recorded. These disputed 4000/4100 Invoices represent approximately 69% of the total 4000/4100 Invoices (approximately \$6.1 million) in the Company's accounts receivable.

82. Below are excerpts from some of the 11 customer responses respecting the 4000/4100 Invoices:

- a) Blu-Water LP: *“Upon review invoices 4000, 4000, and 4100 are unsupported invoices”*;
- b) Tangle Creek Energy Ltd.: *“The invoice no. 4000 is not legitimate and does not reflect work that was previously done with Big Bear Energy. HWN has not done any business with Big Bear since the summer of 2021 and have fully paid all invoices”*;
- c) Wildcat Fire Services Inc.: *“We paid their account in full with the second & final ck #328 on Sept. 07/21 in person to their office. We have and had no further intentions of using their company services in the future”*;
- d) Whitecap Resources Inc.: *“Good and services listed on invoice #4000 were not requested by a Whitecap representative.”*;
- e) Petrus Resources Ltd.: *“The [4000] invoice dated 29-Jul-2021 was paid with invoices numbers of #22256 and #22263 (attached to email). The [4000] invoice dated 30-Nov-2021 does not correlate to work that was outstanding to be paid and has no specific location or field approval of the work occurring”*;
- f) TAQA North Ltd.: *“TAQA has no record of either invoice numbered “4000” in our accounting system. There is no AFE information or field tickets attached to those invoices to verify that they are legitimate charges for work performed by Big Bear on behalf of TAQA.”*

83. The Receiver continues to validate all remaining accounts receivable from the Company’s customers, along with corresponding payments towards all valid invoices.

WIP

84. The Receiver reviewed the Company's Jobutrax system to identify all field tickets that had not yet been invoiced to customers for work allegedly performed by the Company. As at the Receivership Date, total WIP (not invoiced) was approximately \$1.9 million, of which approximately \$1.7 million relates to Big Bear and approximately \$160,000 relates to Barricade.
85. A summary of the WIP is shown in the table below:

Big Bear et al.				
Summary Work in Progress ("WIP")				
Uninvoiced as at February 4, 2022				
<i>in CAD \$000's</i>				
	Notes	Total Uninvoiced WIP	Total WIP Invoiced by Receiver	Remaining to Invoice as at Apr 15/22
Advanced Energy LLC	A	10	10	-
Blu-Water LP		323	323	-
CNRL		33	33	-
COSL		7	7	-
Dakow Ventures Ltd.		50	50	-
New Wave Energy Services Ltd.		3	3	-
NexTier Oilfield Solutions	A	28	28	-
Pine Cliff Energy		557	557	-
Rev Energy Services	A	121	121	-
Spartan Delta Corp.		303	303	-
Taq North Ltd.		243	243	-
Total Oilfield Rentals Ltd.		6	6	-
Whitecap Resources Inc.		184	184	-
Total		1,866	1,866	-

Notes

(A) Barricade Environmental Ltd. amounts translated from USD to CAD using a FX rate of 1.28.

Disputed accounts receivable

86. The Receiver arranged, with assistance of certain independent contractors familiar with the accounts receivable and invoicing process, to review the Company's WIP and subsequently record and send invoices to the Big Bear and Barricade customers. Of the approximate \$1.86 million of WIP that has now been invoiced by the Receiver, the Receiver has been notified by certain customers that approximately \$860,000 is being disputed. The Receiver is following up with these customers to determine the legitimacy of their concerns.

87. The Receiver has now invoiced all WIP to the Company’s customers and the Receiver is unaware of any additional WIP that may be billable based on its review of the Company’s books and records.

Collection of Accounts Receivable

88. To date, the Receiver has collected approximately \$1.5 million, which is comprised of approximately \$1.1 million of Pre-Receivership A/R and approximately \$376,000 of Post-Receivership A/R.

89. The Receiver has also generated approximately \$515,000 of Post-Receivership A/R, which is primarily for work completed for TAQA and Blu-Water during the Receivership Proceedings.

90. The Company’s rolling accounts receivable balances are set out in the table below:

Big Bear et al.						
Summary Accounts Receivable						
February 4, 2022 to April 15, 2022						
<i>in CAD \$000's</i>						
	Notes	Adjusted Opening A/R Feb 4/22	Post- Receivership A/R	A/R Collected	Closing A/R Apr 15/22	
Big Bear Energy Rentals Ltd.	A	5,118	515	(1,455)	4,178	
Barricade Environmental Ltd.	B	284	-	(14)	270	
Total		5,401	515	(1,469)	4,448	

Notes

(A) Adjusted Opening A/R Feb 4/22 includes \$150,000 inter-company receivable balance owing from Barricade to Big Bear.

(B) Barricade Environmental Ltd. amounts translated from USD to CAD using a FX rate of 1.28.

91. As at April 15, 2022, there appears to be approximately \$4.4 million of accounts receivable to collect. \$3.2 million of the \$4.4 million is currently being challenged by customers. The Receiver continues to work with these customers remaining resolve the disputes and collect all remaining accounts receivable.

Disputed Accounts Receivable

92. As discussed above, as at April 15, 2022, the Receiver has identified approximately \$4.4 million of accounts receivable that is supportable and should be collectible. Approximately \$3.2 million (73%) of the \$4.4 million of accounts receivable remaining are currently being disputed (the “**Disputed Accounts Receivable**”). The Disputed Accounts Receivable are primarily comprised of the following:

- a) Spartan - approximately \$2.5 million;
- b) Pine Cliff – approximately \$557,000; and
- c) Canadian Natural Resources Ltd. (“**CNRL**”) – approximately \$151,000

Spartan Delta Corp.

93. The Disputed Accounts Receivable amount with Spartan Delta is approximately \$2.5 million, which accounts for 57% of the Company’s accounts receivable balance as at April 15, 2022.

94. As previously discussed, the Receiver understands that between November 2, 2021 and January 29, 2022, the Company provided oil and gas support services and equipment to Spartan’s oil and gas production operations on a call out basis. In particular, the Receiver understand that Spartan would request services and Big Bear would attend at various properties to render services and/or provide equipment on Spartan’s behalf and for its benefit (the “**Call-Out Request**”). The Receiver is not aware of any formal contract between the Company and Spartan.

95. During the first week of the Receivership Proceedings, the Receiver contacted Spartan to provide notice of the receivership and request timely payment of all outstanding accounts receivable. On February 9, 2022, Spartan responded to the Receiver’s request for payment and stated that because they were required to engage the services of another water pumping company, they incurred significant unplanned cost increases. Spartan also informed the Receiver that they had placed

a hold on the Company's account and that no further payments would be issued until they had completed a review of the costs they had incurred as a result of the Receivership Proceedings.

96. On March 21, 2022, the Receiver's Counsel delivered a formal demand letter to Spartan requesting full payment of the approximately \$2.5 million in outstanding accounts receivable. A copy of this demand letter is attached as Appendix B to this Report.
97. On March 31, 2022, the Receiver and Spartan entered into a standstill agreement (the "**Tolling Agreement**"). The Tolling Agreement was entered between the parties to allow the Receiver and Spartan further time to discuss the outstanding accounts receivable balances, while preserving the Receiver's claims and extending all time limits and limitations periods under the *Builders Lien Act* and the *Limitations Act*. A copy of the Tolling Agreement is attached as Appendix C to this Report.
98. The Receiver and Spartan are currently having productive communications and the Receiver will advise the Court on the outcome of these discussions in future reporting.

Pine Cliff Energy

99. The Disputed Accounts Receivable amount with Pine Cliff is approximately \$557,000 which comprises 13% of the Company's accounts receivable balance as at April 15, 2022.
100. Between December 18, 2021 and January 12, 2022 the Company was engaged by Pine Cliff to provide oil and gas services on a "call-out basis". The services the Company provided included the pumping of water from a nearby river to two of Pine Cliff's active well sites. The Receiver is not aware of any formal contract between the Company and Pine Cliff.

101. On March 18, 2022, the Receiver's conflict counsel, (McLennan Ross LLP) delivered a formal demand letter to Pine Cliff requesting full payment of the outstanding approximate \$577,000 accounts receivable balance. A copy of this demand letter is attached as Appendix D to this report.
102. On March 25, 2022, the Receiver instructed McLennan Ross to file a lien against the surface interests of Pine Cliff, which is not registered yet as the Land Titles Office has a 3 month registration backlog for registration of liens at land titles. On April 1, 2022, McLennan Ross registered a lien against Pine Cliff's mineral interests. Copies of the statement of liens registered are attached as Appendix E to this report. Pursuant to the Alberta *Builders' Lien Act*, the Receiver had until April 12, 2022 to file the lien.
103. Pine Cliff has rejected all of the amounts alleged to be outstanding to Big Bear and has asked the Receiver to provide additional support to substantiate Big Bear's invoices. The Receiver is currently working with its contractors to gather such information and will report back to this Court on the outcome of its investigations.

CNRL

104. The Disputed Accounts Receivable amount with CNRL is approximately \$151,000. Based on Big Bear's financial records, this balance relates to the purchase of three dry chemical scrubbers (the "**Scrubbers**") and related chemicals for the Scrubbers, which were fabricated between July 2021 and November 2021 and shipped to Storm Resources Ltd., who was acquired by CNRL in December 2021.
105. On March 24, 2021, CNRL confirmed that they were unable to release this payment for the Scrubbers until a 'trust clearance certificate' was provided by the Alberta Workers Compensation Board (the "**WCB Trust Clearance**") to Big Bear. The Receiver subsequently followed up with the Workers Compensation Board and was advised on March 30, 2021 that a WCB Trust Clearance will not be issued due to the occurrence of the Receivership.

106. It does not appear that CNRL is rejecting this amount owing to Big Bear; however, CNRL is holding up payment until the WCB Trust Clearance is obtained, which does not currently appear possible. The Receiver is currently working with its counsel to resolve the issue.

EQUIPMENT AND INVENTORY

Overview

107. One of the Receiver's primary areas of focus during the Receivership Proceedings has been to secure the Assets and prepare a comprehensive listing which identifies, among other things, the location, make, model and quantity of each Asset (the "**Master Asset Listing**").
108. The Assets are comprised of:
- a) serial numbered items including light and heavy equipment, water pumps, pickup trucks, trailers, scrubbers, filtration pots and atomizers, light towers, generators and combo units (collectively the "**Equipment**"); and
 - b) non-serial numbered items including hoses and reels, fittings and adaptors, environmental cap lids, containments, water transfer and crossover equipment, restraints and other miscellaneous shop items (collectively the "**Inventory**").
109. As previously reported by the Interim Receiver, the Company did not maintain an equipment and/or inventory listing that tracked the status or the whereabouts of these assets. Further, in discussion with former operations management employees utilized by the Receiver in the Receivership Proceedings, the Receiver is advised that the Assets were not tracked and there were no controls (checking in/out process) in place for Inventory. Specifically, employees could draw from Inventory as required for jobs or otherwise without signing out any items or updating an inventory tracking system.

110. On the Receivership Date, the Receiver discussed the Company's Asset tracking process with various operational employees responsible for the Assets and they confirmed that, while there was no tracking process in place, they were 'generally' aware of where the larger, more expensive, Assets were located.
111. During the Receivership Proceedings, the Receiver held several meetings with operational employees to determine where the Assets were located. Based on these meetings and the efforts of the various field employees over the course of several weeks, the Receiver determined that the majority of the Assets were located in 18 separate locations throughout Alberta, British Columbia and the United States (Wyoming, North Dakota and Texas), as outlined in detail in Confidential Appendix 4.

Asset Count

Overview

112. To assist the Receiver in its inventory and equipment count and to develop the Master Asset Listing, the Receiver relied upon the Asset list that was provided by the Company to BDC in connection with its loan. This Asset list was the same list that comprised part of the Freelance Desktop Appraisals.
113. The Master Asset Listing contained 376 individual pieces of Equipment and approximately 33,000 individual pieces of Inventory that the Receiver was required to locate, identify and verify.
114. Shortly after the Receivership Date, the Receiver engaged the Company's former equipment manager (as an independent contractor), in addition to other contractors, to locate, count and populate the Assets in the Master Asset Listing. The Asset count took place from the Receivership Date and ended on April 8, 2022. Based on the Asset count, the Receiver identified, located and secured the following:
 - a) 367 (of 376) individual pieces of Equipment; and
 - b) approximately 22,000 (of 33,000) individual pieces of Inventory

115. The Asset count resulted in approximately 98% of the Equipment and 68% of the Inventory being located when comparing to the Master Asset Listing. In total, the Receiver located and secured approximately 68% of the total Assets.
116. The table below is organized by specific Asset category and lists the Assets that have been located and the Assets that remain missing.

Big Bear et al Results of Asset Count as at April 8, 2022			
	<u>Located Assets</u> Quantity	<u>Missing Assets</u> Quantity	<u>Total</u> Quantity
Equipment			
Light & Heavy Equipment	47	1	48
Super Heaters	9	-	9
Water Pumps	71	-	71
Pickup Trucks	63	-	63
Other Trucks	9	-	9
Trailers	71	4	75
Scrubbers, Filtration Pots & Atomizers	44	4	48
Light Towers, Generators & Combo Units	39	-	39
Office & Wellsite Trailers	14	-	14
Subtotal	367	9	376
<i>Percentage of Subtotal</i>	<i>98%</i>	<i>2%</i>	
Inventory			
Hose And Reels	1,721	1,902	3,623
Fittings & Adaptors	5,974	5,038	11,012
Enviro Cap Lids	4,485	-	4,485
Containment Inventory	603	-	603
Miscellaneous Equipment	1,022	19	1,041
Water Transfer & Crossover Equipment	2,869	3,626	6,495
Restraints	5,346	-	5,346
Subtotal	22,020	10,585	32,605
<i>Percentage of Subtotal</i>	<i>68%</i>	<i>32%</i>	
Grand Total	22,387	10,594	32,981
<i>Percentage of Grand Total</i>	<i>68%</i>	<i>32%</i>	

117. The Receiver provided a copy of the Master Asset Listing to BDC and CWB and advised them of the Receiver's efforts to count and locate the Assets. A copy of the Master Asset Listing is attached as Confidential Appendix 4 to this Report.
118. The Receiver is of the view that there is information contained in the Master Asset Listing, namely location, make, model and quantity of each Asset, that if disseminated publicly, could negatively impact the proposed Sales Process. The Receiver intends to provide interested third parties with a copy of the Master Asset

Listing, provided they sign a Confidentiality Agreement (“CA”). Given the foregoing, the Receiver is of the view that the Master Asset Listing is commercially sensitive, and respectfully submits that the Restricted Court Access Order sealing Confidential Appendix 4 is appropriate.

119. On April 14, 2022, the Receiver also provided the Master Asset Listing to the Lloyds’ Counsel as requested in a letter delivered to the Receiver by the Lloyds’ Counsel on April 10, 2022 (the “**Lloyd Letter**”). The Lloyd Letter raises concerns respecting, among other things, the process used by the Receiver to gather and secure the equipment and inventory. The Receiver responded to the Lloyd Letter through the Receiver’s Counsel on April 14, 2022. A copy of the Lloyd Letter and the Receiver’s response is attached as Appendix F to this Report.

LEADING EDGE GARAGE KEEPERS’ LIEN

120. On March 22, 2022, Leading Edge Mechanical Ltd. (“**Leading Edge**”) provided the Receiver with certain documents asserting a garage keeper’s lien filed on February 12, 2022 in the amount of \$107,000 (the “**Garage Keeper’s Lien**”). The Garage Keeper’s Lien relates to the repairs and maintenance conducted on one vehicle (approximately \$9,500) and the remaining charges purport to relate to storage fees and charges related to other vehicles.
121. Between March 22 and April 22, 2022, the Receiver made various requests to Leading Edge for further documents supporting the Garage Keepers’ Lien. As of the date of this Report, Leading Edge has not provided the Receiver with any invoices supporting the storage charges. As of the date of this Report, the repair charges have not been paid to Leading Edge, however, the Receiver remains ready, willing and able to pay the portion of the repair charges invoiced, but is not in a position to pay any of the storage fees given the lack of supporting documentation provided by Leading Edge.
122. Given the foregoing, the Receiver respectfully request that this Honourable Court discharge the Garage Keeper’s Lien. Pursuant to section 10 of the *Garage Keepers’*

Lien Act, upon payment of the actual amount of repairs completed to the vehicle, Leading Edge is required to demonstrate why they are entitled to the excess amount under the Garage Keeper's Lien.

TEMPORARY IMPORT BONDS

123. On March 21, 2022, DLA Piper (Canada) LLP ("**DLA**"), former legal counsel to the Company and Mr. Bob and Jason Lloyd, informed the Receiver that certain Assets located at the Barricade Facilities had been imported to the United States under a temporary import bond ("**TIB**"), which allow the Assets to remain in the United States for a specified time frame (generally up to 3 years). Once the specified time frame on the TIB expires, the Assets need to be returned to Canada or the Company could be fined a significant amount for each Asset remaining in the United States beyond the specified time frame.
124. The Receiver has reviewed various import and shipping documents provided by DLA and based on the Receiver's review of the Records, the Receiver has identified the following Assets imported under TIBs which expire in September 2022:
 - a) 27 pieces of Equipment located at the Barricade Facilities;
 - b) 1 piece of Equipment that is currently missing; and
 - c) various Inventory items including hoses, fittings, adapters and reels that they Receiver has not had the opportunity to identify yet.
125. The Receiver has reached out by telephone and email to the US and Canadian Customs brokers previously used by the Company to obtain further information about the TIBs. The Receiver has received certain of the TIB documents from one of the three brokers to date and anticipates further documentation to be obtained.
126. The Receiver is investigating this matter further with the Receiver's Counsel in order to determine next steps and will report to the Court on the same in due course.

PROPOSED BLU-WATER / DAKOW ASSET SALE

127. Pursuant to paragraph 5(a)(i) of the Enhanced Powers Order, the Receiver is empowered and authorized to sell the Property or any parts thereof out of the ordinary course of business without the approval of this Court in respect of any individual transaction not exceeding \$100,000 provided that the aggregate consideration for all such transactions does not exceed \$500,000.
128. On February 28, 2022 the Receiver received an unsolicited offer from Blu-Water to purchase all of the Assets located in Fort St. John, which included skid steers, generators, trailers and various water pumping equipment such as hoses, reels, pumps, fittings and adaptors. The Receiver reviewed Blu-Water's offer against the Assets values in the FSJ Desktop Appraisals and determined that the amount offered was not sufficient for the Receiver to sell the Assets. On March 3, 2022, the Receiver informed Blu-Water that it would not be able to accept their unsolicited offer.
129. On or around March 8, 2022, the Receiver received an additional unsolicited offer from each Blu-Water and Dakow to purchase the 'rigged in' Inventory located at the Conoco Jobs site (the "**Conoco Inventory**"). The Conoco Inventory consists of items Blu-Water is actively using to conduct water pumping operations for Conoco. All remaining non-Conoco Inventory were returned to the Big Bear Facility by the Receiver's contractor between March 9, 2022 and March 18, 2022.
130. Dakow's unsolicited offer was to purchase approximately 33 reels of layflat hose and to settle all Dakow invoices owed to Big Bear by Dakow (the "**Dakow Offer**"). Blu-Water's unsolicited offer was to purchase approximately 504 fittings and adaptors and to settle all Blu-Water invoices owed to Big Bear by Blu-Water (the "**Blu-Water Offer**").
131. The Receiver compared the Dakow Offer and Blu-Water Offer against the Asset values in the FSJ Appraisals and evaluated the cost of removing the Conoco Inventory from the site to the Big Bear Facility and other risks potentially impacting

- the collection of the outstanding amounts owing from these two companies to Big Bear. Based on its analysis, the Receiver determined that it would enter into asset purchase and settlement agreements with Blu-Water and Dakow for the sale of the Conoco Inventory, provided Blu-Water and Dakow acknowledged their respective obligations outstanding to Big Bear and arranged for the immediate pay down of these outstanding accounts receivable.
132. On April 21, 2022, the Receiver entered into an asset purchase and settlement agreement, which is subject to Court approval, with each of Blu-Water (the “**Blu-Water APA**”) and Dakow (the “**Dakow APA**”). Copies of the redacted version of the Blu-Water APA and Dakow APA are attached to this Report as Appendix G and H, respectively.
133. Due to the confidential nature of the information provided in the Dakow Offer and Blu-Water Offer, the Receiver is concerned that, if the information about the Dakow Offer or Blu-Water Offer is disclosed to third parties prior to the closing of the sale transaction in respect of the Conoco Inventory, the disclosure could materially jeopardize subsequent efforts to re-market and sell the Conoco Inventory. As such, the Receiver is respectfully of the view that it is appropriate for this Honourable Court to grant the Restricted Court Access Order to seal the following documents:
- a) the Receiver’s analysis on the Blu-Water APA and Dakow APA, which is attached to this report as Confidential Appendix 5;
 - b) the unredacted version of the Blu-Water APA, which is attached to this Report as Confidential Appendix 6; and
 - c) the unredacted version of the Dakow APA, which is attached to this Report as Confidential Appendix 7.
134. The Receiver considered the following when it reviewed the Dakow Offer and Blu-Water Offer:

- a) subject to approval of this Court, the Receiver is authorized to sell the Property of the Company in accordance with paragraph 5(a)(i) of the Enhanced Powers Order;
- b) the Receiver acted in good faith and with due diligence and through lengthy negotiations, has made significant efforts to obtain the best and highest price for the Conoco Inventory;
- c) the purchase price will be paid to the Receiver's Counsel, in trust, and will be releasable to the Receiver upon the closing the transactions with Dakow and Blu-Water, subject to Court approval;
- d) the Dakow APA and Blu-Water APA were negotiated between parties at arm's length in good faith and are commercially reasonable under the circumstances;
- e) after considering the FSJ Appraisals, and the costs and potential liability related to demobilizing the Conoco Inventory, the Receiver is of the opinion that the Dakow Offer and Blu-Water Offer are commercially reasonable;
- f) by entering into the settlement portion of the agreements, there is greater certainty surrounding the collection of the receivables from Dakow and Blu-Water; and
- g) BDC and CWB, the secured lenders on the Conoco Inventory, are supportive of the Dakow APA and Blu-Water APA and are agreeable for the proceeds from the sales are to be used by the Receiver to assist in the funding of the Receivership Proceedings.

135. On the basis of the above, the Receiver believes that the Dakow APA and Blu-Water APA are in the best interest of all stakeholders and seeks approval of same.

PROPOSED SALE PROCESS

Requirement for a Court approved process

136. The Enhanced Powers Order, empowers and authorizes, but does not obligate, the Receiver to, among other things:

- a) market the Property, including advertising and soliciting offers in respect of the Property or any parts thereof, and negotiating such terms and conditions for the sale as the Receiver in its discretion may deem appropriate; and
- b) any sale out of the ordinary course in excess of \$500,000 requires the approval of the Court.

137. Notwithstanding the power to market and sell the Assets included in the Enhanced Powers Order, the Receiver is requesting the Court approve the Sales Process as:

- a) the Company has a significant amount of Assets to realize (over 33,000 individual pieces) located in Canada and the US situated in three facilities that are material to the overall recoveries in the Receivership Proceedings and, in the circumstances, a Court approved Sale Process will provide clarity and consistency to potential purchasers;
- b) there are several stakeholders in these proceedings, including super priority creditors, secured creditors, unsecured creditors and the Owners, who are guarantors of the secured loans. As such, ensuring that all stakeholders understand and have an opportunity to review the significant undertaking of a Sales Process, with approval from this Court, will provide clarity and transparency to the Sales Process ahead of time; and
- c) to the extent there are Winning Bids (as defined in the Sales Process) identified by the Receiver in the Sales Process, the Receiver will come back before the Court to apply for orders approving the sale(s) and

vesting the assets. The Receiver views the Court's involvement in the Sales Process at an early stage, through approval of the process, valuable in the circumstances;

138. CWB and BDC have reviewed the proposed Sales Process and have provided input into its terms which has been incorporated. The Receiver understands that CWB and BDC support the proposed Sale Process.

Summary of the proposed Sale Process

139. The proposed Sales Process provides for a combination of bids by auctioneers and/or private bidders for outright purchases. The Receiver believes that a Sale Process which provides for the greatest flexibility in soliciting and selecting bids from interested parties for the sale of the Property will provide the greatest chance for the Receiver to realize the maximum value.
140. In order to determine whether the properties of the Company have market value, the Sale Process will solicit offers on all of the Company's equipment and inventory in Canada and the United States. A copy of the proposed Sale Process is attached to this Report as Appendix I.
141. The Receiver has summarized below certain of the salient points of the Sale Process. All potential bidders are advised to review the Sale Process in detail.
142. The Sale Process will be facilitated by the Receiver. Advertisements announcing the anticipated commencement of the Sale Process will be placed in various publications on or around May 5, 2022. At the same time, the Receiver will issue a press release with information on the Sales Process in the Canada Newswire and a United States equivalent newswire for dissemination in Canada and the United States. A copy of the advertisement is attached as Appendix J. Assuming the Sales Process is approved on May 4, 2022, the relevant timelines developed by the Receiver, in consultation with CWB and BDC are as follows:

<u>Event</u>	<u>Date</u>
Posting and distribution of summary non-confidential information ("Teaser")	May 5, 2022
Receiver to email contact list of identified interested parties and other potentially interested parties	May 5, 2022
Further advertisements of the Sale Process in the publications identified above	May 5 - 11, 2022
Open Virtual Data Room	May 9, 2022
Qualified Bidders to review asset listing and schedule appointments to inspect the Assets	May 6 - 26, 2022
Bid Deadline	May 27, 2022 (12:00 pm Calgary time)
Receiver to review bids, negotiate as required and select bidder(s)	May 28 - June 1, 2022
Receiver to seek Court approval of Bid(s) submitted by Successful Bidder(s)	Week of June 20, 2022 or as soon as practical thereafter

143. The timeline is also set out in the proposed Sales Process, Appendix I, and can be extended or modified by the Receiver, in its sole discretion and in consultation with CWB and BDC.

144. All potential bidders ("**Potential Bidder**") must submit an executed CA to the Receiver. Upon receipt of the CA, the potential bidder will be granted access to a virtual data room that has been established by the Receiver.

Qualified Bidders

145. For a Potential Bidder to be considered a Qualified Bidder ("**Qualified Bidder**"), a Potential Bidder must, prior to the distribution of any confidential information, deliver to the Receiver:

- a) an executed CA;
- b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, full disclosure of the direct and indirect owners of the Potential Bidder and their principals; and
- c) a written acknowledgement of receipt of a copy of the Sales Process Order approving these Sale Procedures and agreeing to accept and be bound by the provisions contained therein and herein.

Bid Process

146. Qualified Bidders can schedule appointments to inspect the Assets between May 6 and May 26, 2022. Deadline to submit bids (“**Bids**”) to the Receiver is May 27, 2022 at 12:00 pm Calgary Time.
147. For the purpose of assisting Qualified Bidders in submitting their Bids, the Assets will be divided and marketed in groups, which are as follows:
 - a) Assets owned by Big Bear (the “**Big Bear Assets**”), which shall be further divided into the following subgroups:
 - i. Trucks;
 - ii. Trailers;
 - iii. Light & Heavy Equipment; and
 - iv. Fluid Management Equipment, and
 - b) Assets owned by Barricade (the “**Barricade Assets**”), which shall be further divided into the following subgroups:
 - i. Trucks;
 - ii. Trailers;
 - iii. Light & Heavy Equipment; and
 - iv. Fluid Management Equipment.
148. Qualified Bidders may submit an *en bloc* Bid for the purchase of all the Big Bear Assets and the Barricade Assets. Qualified Bidders may also submit a Bid in respect of any of the Asset groups or subgroups identified, or any portion of those groups or subgroups. However; priority may be given to Bids for all subgroups.

149. The Form of Offer, which is attached as Appendix K to this Report, must include one (or all) of the following three options:
- a) Net Minimum Guarantee;
 - b) Commission; and/or
 - c) Outright Purchase.

Other considerations and factors

150. A Bid may not include any request or entitlement to any break fee, expense reimbursement or similar type of payment, nor may a bid be subject to any conditions (financing, inspection or otherwise) other than approval by the Court. Further, if a Bid contemplates an outright purchase, it must be accompanied by a 10% deposit.
151. From May 28 to June 1, 2022, the Receiver will review bids, negotiate as required and select bidders for Court approval.
152. The Receiver has the flexibility to negotiate with Qualified Bidders and is under no obligation to accept the highest or any offer for the Assets.
153. All offers are subject to approval of the Court and the Receiver shall file a motion with the Court approving any successful bid and authorizing the Receiver to enter a definitive agreement.

Conclusion

154. The proposed Sale Process is in the best interests of the stakeholders for the following reasons:
- a) the Sale Process provides a fair and transparent process which will be conducted in such a manner to give potential bidders equal access to the process and information respecting the Assets;

- b) no stakeholder appears to be prejudiced by the process. The two major stakeholders, CWB and BDC, have been consulted and, to the Receiver's knowledge, support the Sale Process; and
- c) the Receiver has extensive experience in initiating and conducting court-approved sales processes and is of the view the proposed Court approved Sales Process is the best way to liquidate the Assets of the Company;

155. Accordingly, the Receiver respectfully requests this Honourable Court's approval of the Sales Process.

SECURITY OPINION

156. The Receiver's independent counsel, BLG, is currently performing a review of the CWB and BDC security to determine the validity and enforceability of the security as against the Debtor's Property. The Receiver is advised that the security opinion will be completed by BLG prior to any application by the Receiver proposing the distribution of funds to these secured creditors.

157. The Receiver is not aware of any other claimant that may have priority over CWB and BDC's security should the security prove valid and enforceable, other than potential "super priority" claims with respect to CRA, the WEPP and the Receiver's Charge as set out in the Enhanced Powers Order.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

158. The following is a statement of the Receiver's receipts and disbursements in respect of the Company between the period of February 5, 2022 to April 15, 2022 (the "**Reporting Period**"):

Big Bear et al Interim Statement of Receipts and Disbursements February 5, 2022 to April 15, 2022 <i>in CAD \$000's</i>		
Opening cash balance	\$	82
Receiver's borrowings	\$	207
Receipts		
Pre-Receivership A/R Collections		1,093
Post-Receivership A/R Collections		358
Total receipts		1,451
Disbursements		
Employee/IC Salaries and Benefits		429
Field Operating Costs		327
Leases and Utilities		138
Project Demobilization Costs		119
Insurance		115
Other Operating Costs		90
Desktop Appraisal Costs		7
Professional fees and costs		-
Net GST paid (received)		(1)
Total disbursements	\$	1,224
Repayment of Receiver's Borrowing:	\$	(207)
Ending cash balance	\$	309

159. There was approximately \$82,000 of opening cash available at the start of the Reporting period.
160. The Receiver collected approximately \$1.45 million during the Reporting Period, relating to the collection of Pre-Receivership A/R and Post-Receivership A/R.
161. The Receiver made disbursements of approximately \$1.2 million during the Reporting Period, relating primarily to:
- a) Employee and independent contractor wages and benefits of approximately \$429,000;
 - b) Field operating costs of approximately \$327,000, relating primarily to field employee payroll, accommodations and third-party field operating costs after February 4, 2022;
 - c) Office lease and utility disbursements of approximately \$138,000;

- d) Project demobilization costs of approximately \$119,000. These costs relate to engaging the services of former employees, contractors and third-party transportation expenses required to demobilize equipment from various job sites in Canada and the US and transporting the Assets to the Big Bear Facility and Barricade Facilities;
 - e) Insurance payments of approximately \$115,000 for the period of February 22, 2022 to April 22, 2022; and
 - f) Other operating disbursements of approximately \$90,000, which include repairs and maintenance, information technology, security, cleaning and linen services;
162. The total ending cash available as at April 15, 2022 is approximately \$309,000.
163. Pursuant to paragraph 24 of the Enhanced Powers Order, the Receiver has been empowered to borrow by way of a revolving credit or otherwise, up to \$750,000 (or such greater amounts as the Court may further order). The Receiver drew approximately \$207,000 from the line of credit on February 16, 2022, and repaid these borrowings in full on February 18, 2022. As at the date this report there is no amount drawn on the Receiver's Certificate line of credit.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

164. Pursuant to paragraph 21 of the Enhanced Powers Order, the Receiver seeks approval from this Honourable Court of the respective professional fees and disbursements of the Receiver and the Receiver's Counsel for the period from the Interim Receivership Date (January 21, 2022) to March 31, 2022 (the "**Interim Taxation Period**"). These fees and costs have been incurred, but not paid as of the date of this Report.
165. The total fees and expenses of A&M, in its capacity as the Court-appointed Receiver of the Debtors, during the Interim Taxation Period are \$592,002.74 (exclusive of GST), which comprise of \$576,258.50 in fees and \$15,744.24 in

expenses (the “**Receiver’s Fees and Costs**”). A summary of the Receiver’s fees and expenses by invoice is attached as Appendix L to this Report.

166. The total fees and expenses of BLG and McLennan, independent counsel to the Receiver, during the Interim Taxation Period total \$98,215.30 (exclusive of GST), which comprise of \$97,686.00 in professional fees and \$529.30 in expenses (the “**Receiver’s Counsel’s Fees and Costs**”). A summary of the Receiver’s Counsel’s Fees and Costs by invoice is attached as Appendix M to this Report.
167. The Receiver and its respective counsel’s invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be brought to the Receiver’s application before this Honourable Court set for May 4, 2022 and made available to the Court.
168. The Receiver is respectfully of the view that its fees and those of its counsel are fair and reasonable under the circumstances, and respectfully request the Court’s approval of these accounts for the Interim Taxation Period.

RECEIVER’S ONGOING ACTIVITIES AND FUTURE COURSE OF ACTION

169. The Receiver’s next steps include, but are not limited to the following:
 - a) continuing efforts with respect to transporting the remotely located Assets to the Big Bear Facility;
 - b) working with legal counsel and the import brokers to determine the status and action plan for the Assets in the US pursuant to the TIBs;
 - c) continuing to inquire and search for assets not yet located by the Receiver as part of its inventory collection efforts, which include communication with the Owners on the potential whereabouts;
 - d) closing the transactions with Dakow and Blu-Water, subject to Court approval;

- e) coordinating an audit on source deductions and GST with the CRA;
- f) continuing efforts with respect to collecting valid accounts receivable with the Company's customers;
- g) if approved by the Court, initiating the proposed Sales Process;
- h) continuing communication with and updates to CWB, BDC and other stakeholders respecting the Receivership Proceedings, in general; and
- i) completing various other administrative tasks related to the Receivership Proceedings.

RECEIVER'S RECOMMENDATIONS

170. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court approve the:

- a) Dakow APA, Blu-Water APA and associated Approval and Vesting Order;
- b) Restricted Court Access Order;
- c) Discharge Order for the Garage Keepers' Lien;
- d) proposed Sales Process for the Assets;
- e) Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs; and
- f) actions, activities and conduct of the Receiver from the Interim Receivership Date to the date of this Report, and as set out in this Report.

All of which is respectfully submitted this 25th day of April, 2022

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court-appointed
Receiver of the Debtors, and not in
its personal or corporate capacity**

A handwritten signature in blue ink, appearing to be 'Orest Konowalchuk', written in a cursive style.

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

A handwritten signature in blue ink, appearing to be 'David Williams', written in a cursive style.

David Williams, CPA
Senior Manager

Appendix A
A/R Confirmation Letters



March 31, 2022

Blu-Water LP
 Box 664
 Charlie Lake, BC V0C 1H0

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. (“**Big Bear**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Blu-Water LP to Big Bear total **\$1,238,243.84**, which is comprised of the following invoices:

No.	Invoice Date	Invoice #	Amount
1	11/30/2021	4000	\$ 500,000.00
2	11/30/2021	4000	\$ 203,291.28
3	11/30/2021	4100	\$ 56,444.01
Subtotal			\$ 759,735.29

4	11/11/2021	9855	\$ 4,939.20
5	12/16/2021	9873	\$ 9,530.46
6	12/20/2021	9897	\$ 2,713.45
7	1/8/2022	9898	\$ 300,534.11
8	1/15/2022	9899	\$ 160,791.33
Subtotal			\$ 478,508.55

Total **\$1,238,243.84**

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity



David Williams
Senior Manager
Phone: 403-538-7536
Email: david.williams@alvarezandmarsal.com



CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: BLUWATER LP

- The \$1,238,243.84 balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 461,797.49 as of February 4th, 2022 and the difference may be due to the following:

UPON REVIEW INVOICES 4000, 4000, &
4100 ARE UNSUPPORTED INVOICES.
INVOICE NUMBERS - 9855, 9873, 9877, 9898 &
9879 HAVE BACKUP AND ARE LEGITIMATE.

Signature: 

Print Name: MATT JOHN

Position: GENERAL MANAGER





March 30, 2022

Tangle Creek Energy Ltd.
 Suite 2100 715 5th Avenue SW
 Calgary, AB T2P 2X6

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. (“**Big Bear**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Tangle Creek Energy Ltd. to Big Bear total **\$92,767.50**, which is comprised of the below invoice:

Invoice Date	Invoice Number	Amount
7/31/2021	4000	\$92,757.50

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity

 Stephen Oosterbaan
 Associate
 Phone: 403-607-9323
 Email: soosterbaan@alvarezandmarsal.com

CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: HWN Energy Ltd. (prev. Tangle Creek Energy)

- The **\$92,757.50** balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$0.00 as of February 4th, 2022 and the difference may be due to the following:

The invoice no. 4000 is not legitimate and does not reflect work that was
previously done with Big Bear Energy. HWN has not done any business with
Big Bear since the summer of 0221 and have fully paid all invoices.
Daily reports show records of the work completed and have verified with our
Completions Superintendent that this is not a real invoice.

Signature: *Ellen Carey*

Print Name: Ellen Carey

Position: Senior Development Engineer





March 28, 2022

Wildcat Fire Services Inc.
PO Box 899
Bowden, AB T0M 0K0

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the "**Receiver**") in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. ("**Big Bear**"). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear's financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Wildcat Fire Services Inc. to Big Bear total **\$190,125.18**, which is comprised of the following invoices:

Invoice Date	Invoice #	Amount
7/31/2021	4000	\$18,975.18
7/31/2021	4000	\$171,150.00
	Total:	\$190,125.18

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022**.

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity

Stephen Oosterbaan
Associate
Phone: 403-607-9323
Email: soosterbaan@alvarezandmarsal.com

CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: WILDCAT FIRE SERVICES INC.

- The \$190,125.18 balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 0.00 as of February 4th, 2022 and the difference may be due to the following:

All payments were made from field tickets Not invoices (as per attached copies of summaries for both cheques) First field ticket was dated July 22/21 (Field Ticket # 22244) and Account was paid with 1st cheque # 315 for \$5,667.81 to include all July Field Tickets (upto; incl. July 31/21 # 22075)

Second ck attached # 328 covered All August 2021 Field tickets (As attached - Aug 01 - Aug 27/21) in amt of \$12,302.66. Last day we used Big Bear Energy Services was Aug 27/21. We paid their account in full with the second & final ck # 328 on Sept. 07/21 in person to their office. We have and had no further intentions of using their company services in the future.

Signature: _____

Print Name: JOANNE WERNER

Position: VICE PRESIDENT / DIRECTOR

Wildcat Fire Services Inc.
Vendor QuickReport
 1 July 2021 through 4 February 2022

Type	Date	Num	Account	Clr	Split	Amount
Big Bear Energy Services						
Bill	2021-07-22	22244	Accounts Payable		-SPLIT-	-3,937.50
Bill	2021-07-23	22245	Accounts Payable		-SPLIT-	-8,868.09
Bill	2021-07-24	22246	Accounts Payable		-SPLIT-	-10,338.09
Bill	2021-07-25	22253	Accounts Payable		-SPLIT-	-11,734.59
Bill	2021-07-26	22254	Accounts Payable		-SPLIT-	-11,183.34
Bill	2021-07-27	22264	Accounts Payable		-SPLIT-	-10,227.84
Bill	2021-07-28	22272	Accounts Payable		-SPLIT-	-11,073.09
Bill	2021-07-29	22273	Accounts Payable		-SPLIT-	-9,435.09
Bill	2021-07-30	22274	Accounts Payable		-SPLIT-	-9,435.09
Bill	2021-07-31	22275	Accounts Payable		-SPLIT-	-9,435.09
Bill	2021-08-01	22281	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-02	22283	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-03	22293	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-04	22299	Accounts Payable		-SPLIT-	-7,683.80
Bill	2021-08-05	22302	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-06	22310	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-07	22317	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-08	22330	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-09	22338	Accounts Payable		-SPLIT-	-6,507.80
Bill	2021-08-10	22363	Accounts Payable		-SPLIT-	-5,625.80
Bill	2021-08-11	22364	Accounts Payable		-SPLIT-	-8,605.59
Bill	2021-08-12	22367	Accounts Payable		-SPLIT-	-5,625.80
Bill	2021-08-13	22372	Accounts Payable		-SPLIT-	-8,605.59
Bill	2021-08-14	22373	Accounts Payable		-SPLIT-	-8,605.59
Bill	2021-08-15	22374	Accounts Payable		-SPLIT-	-8,605.59
Bill	2021-08-16	22384	Accounts Payable		-SPLIT-	-9,486.59
Bill	2021-08-17	22392	Accounts Payable		-SPLIT-	-9,487.59
Bill	2021-08-18	22403	Accounts Payable		-SPLIT-	-9,487.59
Bill	2021-08-19	22404	Accounts Payable		-SPLIT-	-9,487.59
Bill Pmt -Cheque	2021-08-20	315	Bank - checking ...	X	Accounts Pa...	-95,667.81
Bill	2021-08-20	22407	Accounts Payable		-SPLIT-	-9,487.59
Bill	2021-08-21	22411	Accounts Payable		-SPLIT-	-9,487.59
Bill	2021-08-22	22412	Accounts Payable		-SPLIT-	-9,487.59
Bill	2021-08-23	22434	Accounts Payable		-SPLIT-	-9,487.59
Bill	2021-08-24	22451	Accounts Payable		-SPLIT-	-8,857.59
Bill	2021-08-25	22459	Accounts Payable		-SPLIT-	-8,857.59
Bill	2021-08-26	22466	Accounts Payable		-SPLIT-	-6,192.80
Bill	2021-08-27	22480	Accounts Payable		-SPLIT-	-7,074.80
Bill Pmt -Cheque	2021-09-07	328	Bank - checking ...	X	Accounts Pa...	-212,302.66

Wildcat Fire Services Inc. Balance Details for Big Bear Energy Services All Transactions

Type	Num	Date	Due Date	Aging	Amount	Open Balance
Bill	22281	2021-08-01	2021-08-01	36	6,507.80	6,507.80
Bill	22283	2021-08-02	2021-08-02	35	6,507.80	6,507.80
Bill	22293	2021-08-03	2021-08-03	34	6,507.80	6,507.80
Bill	22299	2021-08-04	2021-08-04	33	7,683.80	7,683.80
Bill	22302	2021-08-05	2021-08-05	32	6,507.80	6,507.80
Bill	22310	2021-08-06	2021-08-06	31	6,507.80	6,507.80
Bill	22317	2021-08-07	2021-08-07	30	6,507.80	6,507.80
Bill	22330	2021-08-08	2021-08-08	29	6,507.80	6,507.80
Bill	22338	2021-08-09	2021-08-09	28	6,507.80	6,507.80
Bill	22363	2021-08-10	2021-08-10	27	5,625.80	5,625.80
Bill	22364	2021-08-11	2021-08-11	26	8,605.59	8,605.59
Bill	22367	2021-08-12	2021-08-12	25	5,625.80	5,625.80
Bill	22372	2021-08-13	2021-08-13	24	8,605.59	8,605.59
Bill	22373	2021-08-14	2021-08-14	23	8,605.59	8,605.59
Bill	22374	2021-08-15	2021-08-15	22	8,605.59	8,605.59
Bill	22384	2021-08-16	2021-08-16	21	9,486.59	9,486.59
Bill	22392	2021-08-17	2021-08-17	20	9,487.59	9,487.59
Bill	22403	2021-08-18	2021-08-18	19	9,487.59	9,487.59
Bill	22404	2021-08-19	2021-08-19	18	9,487.59	9,487.59
Bill	22407	2021-08-20	2021-08-20	17	9,487.59	9,487.59
Bill	22411	2021-08-21	2021-08-21	16	9,487.59	9,487.59
Bill	22412	2021-08-22	2021-08-22	15	9,487.59	9,487.59
Bill	22434	2021-08-23	2021-08-23	14	9,487.59	9,487.59
Bill	22451	2021-08-24	2021-08-24	13	8,857.59	8,857.59
Bill	22459	2021-08-25	2021-08-25	12	8,857.59	8,857.59
Bill	22466	2021-08-26	2021-08-26	11	6,192.80	6,192.80
Bill	22480	2021-08-27	2021-08-27	10	7,074.80	7,074.80
Total					212,302.66	212,302.66

WILDCAT FIRE SERVICES INC.
PO BOX 899
BOWDEN, AB T0M 0K0

000328

DATE 2021-09-07
Y Y Y Y M M D D

PAY to Big Bear Energy Services \$ 212,302.⁶⁶/₁₀₀
the order of
Two Hundred-Twelve Thousand-Three Hundred-Two Dollars and ⁶⁶/₁₀₀ DOLLARS

CANADIAN WESTERN BANK 4822-51 AVENUE
RED DEER, AB T4N 4H3

WILDCAT FIRE SERVICES INC.

RE Aug 01 - Aug 27 / 21 inv's - see attached
[Signature]

PER *[Signature]*

⑈000328⑈ ⑆03059⑈030⑆ 101001727312⑈

10:48 AM
2021-08-12

Wildcat Fire Services Inc. Balance Details for Big Bear Energy Services All Transactions

Type	Num	Date	Due Date	Aging	Amount	Open Balance
Bill	22244	2021-07-22	2021-07-22	21	3,937.50	3,937.50
Bill	22245	2021-07-23	2021-07-23	20	8,868.09	8,868.09
Bill	22246	2021-07-24	2021-07-24	19	10,338.09	10,338.09
Bill	22253	2021-07-25	2021-07-25	18	11,734.59	11,734.59
Bill	22254	2021-07-26	2021-07-26	17	11,183.34	11,183.34
Bill	22264	2021-07-27	2021-07-27	16	10,227.84	10,227.84
Bill	22272	2021-07-28	2021-07-28	15	11,073.09	11,073.09
Bill	22273	2021-07-29	2021-07-29	14	9,435.09	9,435.09
Bill	22274	2021-07-30	2021-07-30	13	9,435.09	9,435.09
Bill	22275	2021-07-31	2021-07-31	12	9,435.09	9,435.09
Total					<u>95,667.81</u>	<u>95,667.81</u>

8/31/2021

Canadian Western Bank - View Cheque Image

Cheque Image

00039-003
08/20/2021
010090000300167

2021/08/20 08:20:20
E2E250E029012

WILDCAT FIRE SERVICES INC.
PO BOX 539
BOWDEN, AB T0M 0K0

000315
DATE 2021-08-20
Y Y Y M M D D

PAY to the order of Big Bear Energy Services \$ 95,667.81
Twenty-Five Thousand Six Hundred Sixty-Six Dollars and 81/100 DOLLARS

WILDCAT FIRE SERVICES INC.
4827 - 51 AVENUE
RED OAK, AB T4N 4W3

RE Summary inv # 9798

⑆000315⑆ ⑆03059⑉030⑆ 101001727312⑆

⑆000315⑆ 4⑆03059⑉030⑆ 101001727312⑆ ⑆0009566781⑆

Show Back

Close Window



March 29, 2022

Whitecap Resources Inc.
PO Box 5300 STN Main
Fort McMurray, AB T9H 3G3

Alvarez & Marsal Canada Inc.
Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Phone: +1 403 538 7555
Fax: +1 403 538 7551

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the "**Receiver**") in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. ("**Big Bear**"). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear's financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Whitecap Resources Inc. to Big Bear total **\$838,473.67**, which is comprised of the invoices shown on the following page:

No.	Invoice Date	Invoice #	Amount
1	11/30/2021	4000	267,613.25
2	7/29/2021	4000	41,730.68
3	5/31/2021	4000	100,000.00
4	9/30/2021	4000	17,180.10
		SubTotal	426,524.03
5	12/27/2021	23282	4,351.20
6	12/28/2021	23284	9,168.60
7	12/28/2021	23285	2,268.00
8	12/29/2021	23287	1,134.00
9	12/29/2021	23288	10,208.10
10	12/30/2021	23312	11,021.85
11	1/2/2022	23342	10,250.10
12	1/2/2022	23343	1,512.00
13	1/2/2022	23344	2,205.00
14	1/3/2022	23355	11,685.98
15	1/3/2022	23356	1,512.00
16	1/4/2022	23365	11,536.73
17	1/3/2022	23367	4,705.05
18	1/4/2022	23368	5,256.30
19	1/5/2022	23369	15,421.68
20	1/5/2022	23370	5,387.55
21	1/5/2022	23371	1,512.00
22	1/6/2022	23379	15,631.15
23	1/6/2022	23380	5,387.55
24	1/7/2022	23381	15,016.90
25	1/7/2022	23388	5,387.55
26	1/8/2022	23389	12,606.59
27	1/8/2022	23390	5,387.55
28	1/9/2022	23391	12,575.09
29	1/9/2022	23392	5,387.55
30	1/10/2022	23393	12,386.09
31	1/10/2022	23394	5,387.55
32	1/11/2022	23414	7,765.57
33	1/11/2022	23416	5,387.55
34	1/12/2022	23428	5,470.79
35	1/12/2022	23429	5,387.55
36	1/13/2022	23430	11,446.87
37	1/13/2022	23431	5,387.55
38	1/14/2022	23452	22,683.99
39	1/14/2022	23453	5,387.55
40	1/15/2022	23454	19,990.74
41	1/15/2022	23455	5,387.55
42	1/17/2022	23456	19,746.62
43	1/16/2022	23457	5,387.55
44	1/17/2022	23482	19,675.74
45	1/17/2022	23483	5,387.55
46	1/18/2022	23486	19,675.74
47	1/18/2022	23487	5,387.55
48	1/19/2022	23498	11,175.68
49	1/20/2022	23508	8,142.23
50	1/20/2022	23523	1,323.00
51	1/21/2022	23524	6,404.48
52	1/21/2022	23525	3,969.00
53	1/22/2022	23526	2,820.30
54	1/22/2022	23527	2,646.00
55	1/23/2022	23528	520.28
56	1/19/2022	23531	1,102.50
		Subtotal	411,949.64

Total 838,473.67



The Receiver notes that it has since received payment on all invoices except for invoices No. 1 – No. 4, all of which have invoice number “4000”. The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity



Stephen Oosterbaan

Associate

Phone: 403-607-9323

Email: soosterbaan@alvarezandmarsal.com

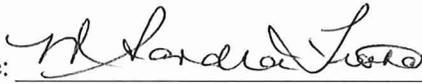


CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: Whitecap Resources Inc.

- The **\$838,473.67** balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 411,949.64 as of February 4th, 2022 and the difference may be due to the following:

 Good and services listed on invoice # 4000 where not requested by a Whitecap representative. Site Description (LSD) are not part of Whitecap's program

Signature: 

Print Name: Sandra Fiolka

Position: Supervisor, Accounts Payable





March 29, 2022

Petrus Resources Ltd.
240 4th Avenue SW #2400
Calgary, AB T2P 4H4

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the "**Receiver**") in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. ("**Big Bear**"). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear's financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Petrus Resources Ltd. to Big Bear total **\$154,021.80**, which is comprised of the following invoices:

No.	Invoice Date	Invoice #	Amount
1	11/30/2021	4000	100,000.00
2	7/29/2021	4000	8,875.19
Subtotal			108,875.19

3	12/2/2021	23096	5,893.13
4	12/2/2021	23097	945.00
5	12/3/2021	23102	5,893.13
6	12/4/2021	23108	5,893.13
7	12/4/2021	23113	1,890.00
8	12/5/2021	23114	5,893.13
9	12/5/2021	23115	3,780.00
10	12/6/2021	23123	5,893.13
11	12/6/2021	23124	3,780.00
12	12/7/2021	23141	5,285.96
Subtotal			45,146.61

Total **154,021.80**

The Receiver notes that it has received payment for invoices No.3 – No.12 from Petrus Resources Ltd; however invoices No.1 and No.2 totaling \$108,875.19 remain outstanding. The invoice number for both of these invoices is "4000". The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity



Stephen Oosterbaan

Associate

Phone: 403-607-9323

Email: soosterbaan@alvarezandmarsal.com



CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: _____

- The \$154,021.80 balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 0 as of February 4th, 2022 and the difference may be due to the following:

- The invoice dated 29-Jul-2021 was
paid with invoices numbers of #22256 and
#22263 (attached to email)
- The invoice dated 30-Nov-2021 does not
correlate to work that was outstanding
to be paid and has no specific location
or field approval of the work occurring.

Signature: 

Print Name: MATT SKANDERUP

Position: PRODUCTION MANAGER





March 29, 2022

Alvarez & Marsal Canada Inc.
 Bow Valley Square 4
 Suite 1110, 250 - 6th Avenue SW
 Calgary, Alberta T2P 3H7
 Phone: +1 403 538 7555
 Fax: +1 403 538 7551

Taqa North Ltd.
 2100 308 4th Avenue SW
 Calgary, AB Canada T2P 0H7

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. (“**Big Bear**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Taqa North Ltd. to Big Bear total **\$792,072.95**, which is comprised of the following 17 invoices:

No.	Invoice Date	Invoice #	Amount
1	8/31/2021	4000	200,000.00
2	11/30/2021	4000	349,388.61
SubTotal			549,388.61

No.	Invoice Date	Invoice #	Amount
3	1/14/2022	23449	6,336.96
4	1/15/2022	23450	13,058.09
5	1/16/2022	23471	8,348.84
6	1/17/2022	23484	7,309.34
7	1/17/2022	23491	7,151.84
8	1/19/2022	23511	11,467.34
9	1/20/2022	23512	10,475.09
10	1/21/2022	23513	24,779.21
11	1/22/2022	23514	24,736.69
12	1/23/2022	23519	23,816.15
13	1/31/2022	23581	10,685.76
14	2/1/2022	23595	16,502.23
15	2/2/2022	23596	24,128.38
16	2/3/2022	23609	22,057.26
17	1/31/2022	23610	31,831.16
SubTotal			242,684.34

Total 792,072.95

The Receiver notes that it has since received payment for all of the above invoices except for invoices No.1 and No.2 totaling \$549,388.61. The invoice number for both of these outstanding invoices is “4000”. The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity



David Williams
Senior Manager
Phone: 403-538-7536
Email: david.williams@alvarezandmarsal.com



CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: TAQA North Ltd.

- The \$792,072.95 balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 242,684.34 as of February 4th, 2022 and the difference may be due to the following:

TAQA has no record of either invoice
numbered "4000" in our accounting
system. There is no AFE information
on or field tickets attached to those
invoices to verify that they are
legitimate charges for work performed
by Big Bear on behalf of TAQA.

Signature: 

Print Name: Matt Edgelow

Position: Manager, Drilling + Completions





April 12, 2022

Safeguard Advanced Training and Consulting Ltd.
 10142 100 Ave#204
 For St. John, BC
 V1J 1Y6

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. (“**Big Bear**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Safeguard Advanced Training and Consulting Ltd. to Big Bear total **\$4,165.19**, which is comprised of the below invoice:

Invoice Date	Invoice Number	Amount
7/31/2021	4000	\$4,165.19

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity

Stephen Oosterbaan
 Associate
 Phone: 403-607-9323
 Email: soosterbaan@alvarezandmarsal.com

CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: Safeguard Advanced Training

The \$4,165.19 balance due to Big Bear as at February 4th, 2022 is correct.

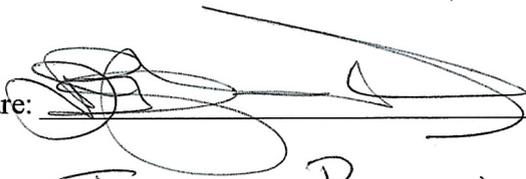
Our records show a balance due of \$ 0 as of February 4th, 2022 and the difference may be due to the following:

Please see attached.

Inv # 9805 + back up

Dates & amounts correspond.

Signature: _____



Print Name: _____

Jackie Berglund

Position: _____

Admin/Bookkeeper





March 30, 2022

Continental Resources Inc.
 PO Box 269000
 Oklahoma City, OK 73126

Re: Confirmation of amounts owing to Barricade Environmental Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Barricade Environmental Ltd. (“**Barricade**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Barricade’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Continental Resources Inc. to Barricade total **USD\$751,443.07**, which is comprised of the below invoices:

Invoice Date	Invoice Number	Amount
11/30/2021	4000	\$491,884.31
10/31/2021	4000	\$193,862.51
04/30/2021	4000	\$65,696.25
	Total	\$751,443.07

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Barricade thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Barricade as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Barricade and not in its personal or corporate capacity

Stephen Oosterbaan
 Associate
 Phone: 403-607-9323
 Email: soosterbaan@alvarezandmarsal.com

Oosterbaan, Stephen

From: AP <AP@clr.com>
Sent: Thursday, April 07, 2022 12:26 PM
To: Oosterbaan, Stephen; Williams, David; AP
Subject: BARRICADE ENVIRONMENTAL LTD - In Receivership
Attachments: Enhanced Interim Receivership Order - Filed (02.04.2022).pdf; BAR Accounts Receivable Confirmation Letter - Continental.pdf; BAR - Outstanding Invoices Feb 4 2022 (Continental).pdf

[EXTERNAL EMAIL]

Dear Stephen,

After reviewing the attached invoices that you forwarded to us, we wanted to advise you;

1. They do not meet our Vendor Invoice Requirements
2. Have not been submitted, via OpenInvoice portal from BARRICADE ENVIRONMENTAL LTD

Thank you very much,

Vivian Doyle
Tech, Accounting

Continental Resources
20 N. Broadway
OKC, OK 73102
P/F: 405.234.9145
ap@clr.com

Mailing:
PO Box 269000
OKC OK 73126

From: Oosterbaan, Stephen <soosterbaan@alvarezandmarsal.com>
Sent: Tuesday, April 5, 2022 3:40 PM
To: AP <AP@clr.com>
Cc: Williams, David <david.williams@alvarezandmarsal.com>
Subject: {EXTERNAL}- FW: Barricade Environmental Ltd. - In Receivership (Account 0004114045)

This Message Is From an External Sender

This message came from outside your organization.

Hi Vivian,



Alvarez & Marsal Canada Inc.
 Bow Valley Square 4
 Suite 1110, 250 - 6th Avenue SW
 Calgary, Alberta T2P 3H7
 Phone: +1 403 538 7555
 Fax: +1 403 538 7551

April 13, 2022

Total Oilfield Rentals Ltd.
 Box 100
 Whitecourt, Alberta
 T7S 1N3

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. (“**Big Bear**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Total Oilfield Rentals Ltd. to Big Bear total **\$12,416.26** which is comprised of the below invoice:

Invoice Date	Invoice Number	Amount
11/30/2021	4100	\$6,208.13
12/26/2021	23305	\$6,208.13
	Total	\$12,416.26

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022.**

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity

Stephen Oosterbaan
 Associate
 Phone: 403-607-9323
 Email: soosterbaan@alvarezandmarsal.com

CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: _____

- The \$12,416.26 balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 6,208.13 as of February 4th, 2022 and the difference may be due to the following:

Duplicate invoices for same services performed from field ticket#23305

Services performed from field ticket#23305 only occurred once relating to job 1657, which was physically performed for us once on the day of December 26, 2021 and authorized on our Purchase Order 111200, for a total sum of \$6,208.13 (including taxes).

No other services were performed by Big Bear Energy or authorized by _____

Total Oilfield Rentals in Q4 of 2021. Since invoice# 23305 is the official invoice for services from field ticket# 23305, this is the only invoice that we have outstanding.

Signature: _____

Adriana Clavijo

Print Name: _____

ADRIANA CLAVIJO

Position: _____

Controller





March 28, 2022

Clean Harbors Energy & Industrial
PO Box 5300 STN Main
Fort McMurray, AB T9H 3G3

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the “**Receiver**”) in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. (“**Big Bear**”). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear’s financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Clean Harbors Energy & Industrial to Big Bear total **\$1,199,890.24**, which is comprised of the following invoices:

<u>Invoice Date</u>	<u>Invoice #</u>	<u>Amount</u>
7/31/2021	4000	\$86,149.48
7/31/2021	4000	\$35,382.90
7/31/2021	4000	\$98,700.00
7/31/2021	4000	\$31,972.50
8/31/2021	4000	\$500,000.00
9/30/2021	4000	\$395,209.57
9/16/2021	9818	\$1,168.65
9/30/2020	20380	-\$6,468.99
10/8/2020	22778	\$57,775.14
	Total:	\$1,119,890.24

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022**.

Please contact our office if you have any questions or concerns.

Sincerely,

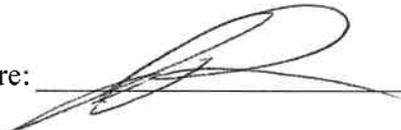
CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: Clean Harbors Energy & Industrial

- The \$1,119,890.24 balance due to Big Bear as at February 4th, 2022 is correct.
- Our records show a balance due of \$ 0 as of February 4th, 2022 and the difference may be due to the following:

All valid invoices have been paid.

Credit listed is for invoice that was not paid.

Signature: 

Print Name: John Purves

Position: District Manager.





April 12, 2022

Loyal Energy Canada Operating
350 7 Ave SW #1100
Calgary, AB T2P 3N9

Re: Confirmation of amounts owing to Big Bear Energy Rentals Ltd.

Pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") dated January 21, 2022, Alvarez & Marsal Canada Inc. was appointed interim receiver (the "**Receiver**") in respect of all of the current and future assets, undertakings, and properties of, among others, Big Bear Energy Rentals Ltd. ("**Big Bear**"). Pursuant to a further Order of the Court dated February 4, 2022, the Receiver was granted enhanced powers and was appointed Receiver, effective February 9, 2022.

The Receiver continues to review Big Bear's financial records. Those records indicate that as at February 4, 2022, accounts receivable owing from Loyal Energy Operating Canada to Big Bear total **\$3,675.00**, which is comprised of the below invoice:

Invoice Date	Invoice Number	Amount
7/31/2021	4000	\$1,050.00
8/31/2021	4000	\$2,625.00
	Total	\$3,675.00

The Receiver respectfully requests that you review your own records to confirm your receipt of the invoices listed above as well as the amounts claimed to be owing to Big Bear thereunder.

We kindly request that you confirm with the Receiver the amounts owing by you to Big Bear as listed above or advise the Receiver of any discrepancies between your records and the invoices listed above as soon as possible, and in any event, **by no later than April 15, 2022**.

Please contact our office if you have any questions or concerns.

Sincerely,

Alvarez & Marsal Canada Inc., in its capacity as the Court Appointed Interim Receiver and/or Receiver of Big Bear and not in its personal or corporate capacity

Stephen Oosterbaan
Associate
Phone: 403-607-9323
Email: soosterbaan@alvarezandmarsal.com

CONFIRMATION OF ACCOUNTS RECEIVABLE BALANCE

Company Name: Loyal Energy (Canada) Operating

The \$3,675.00 balance due to Big Bear as at February 4th, 2022 is correct.

Our records show a balance due of \$ 0 as of February 4th, 2022 and the difference may be due to the following:

The above in balance due has been paid
under different invoice #'s

- Invoice 4000 dated 2021-07-31
paid under invoices 22470 & 22340
- Invoice 4000 dated 2021-08-31
paid under invoices 22341, 22471, 22620,
22622, & 22623

Signature: Maria Manji

Print Name: Maria Manji

Position: Accounts Payable

• if this is incorrect, I will need
field tickets to support the outstanding
invoices.



Appendix B
Spartan Demand Letter

Anthony Mersich
T: 403-232-9154
amersich@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary AB T2P 0R3
Canada
T: 403-232-9500
F: 403-266-1395
blg.com



File No. 022910.000008

March 21, 2022

DELIVERED BY COURIER AND EMAIL
cmartin@spartandeltacorp.com

Craig Martin – Vice President, Operations
Spartan Delta Corp.
Suite 1500, Jamieson Place
308 - 4th Avenue SE
Calgary, AB
T2P 0H7

Dear Mr. Martin,

Re: Outstanding accounts payable to Big Bear Energy Rentals Ltd. ("Big Bear")

We are counsel to Alvarez & Marsal Canada Inc. in its capacity as receiver and manager of the current and future assets, undertakings and properties, among others, of Big Bear (the "**Receiver**").

Pursuant to a call-out agreement between Big Bear and Spartan Delta Corp. ("**Spartan**"), Big Bear provided water transfer services and equipment ("**Services**") to Spartan to support oil and gas operations at certain of Spartan's well sites. In particular, between November 2, 2021 and January 29, 2022, Big Bear provided Services in respect of numerous well sites located in or around townships 43-45, ranges 8-10W5 (the "**Well Sites**").

Big Bear issued 51 invoices and a further five field tickets to Spartan in respect of the Services provided at the Well Sites. The 51 invoices are supported by field tickets that were all signed and approved by Spartan. The total amount owing under those invoices and filed tickets is \$2,484,976.42. The Receiver understands that Big Bear and Spartan agreed that all invoices would be paid by Spartan within 30 days of such invoices being issued, and that field tickets would be reviewed and approved by Spartan within a reasonable timeframe. The 30-day payment period in respect of all invoices and field tickets has lapsed, but Spartan has refused to pay the amounts owing thereunder.

We understand that Spartan has advised the Receiver that it is now disputing certain charges on invoices notwithstanding that Spartan had already approved those invoices, and that as a result, Spartan required additional time to review all of Big Bear's invoices and field tickets that had not yet been

paid. Despite multiple inquires from the Receiver, Spartan has refused or neglected to either (a) particularize the disputed charges, or (b) advise when Spartan will have completed its review of Big Bear's invoices and field tickets.

As a result of the foregoing, the Receiver hereby demands payment of all outstanding indebtedness owing by Spartan to Big Bear for the Services performed at the Well Sites, being \$2,484,976.42 **by no later than 1:00 p.m. (Calgary time) on Monday March 28, 2022.** The Receiver reserves its right to pursue all legal remedies available to it if Spartan fails to comply with the demand set out herein, and may seek to recover all legal costs associated with pursuing such remedies from Spartan.

We trust the foregoing to be in order.

Regards,



Anthony Mersich

AM/

Appendix C
Spartan Tolling Agreement

TOLLING (STANDSTILL) AGREEMENT

This Tolling (Standstill) Agreement (the “**Agreement**”) is entered into and is effective this 31st day of March, 2022 (the “**Effective Date**”), by and between the following parties:

Big Bear Energy Rentals Ltd. (“**Big Bear**”), by and through its court appointed receiver and manager, Alvarez & Marsal Canada Inc., (in such capacity, the “**Receiver**”), and not acting in the Receiver’s personal or corporate capacity

AND

Spartan Delta Corp.
 (“**Spartan**”)

(collectively, the **Parties**; singly, **Party**)

WHEREAS Big Bear provided water transfer services and equipment (“**Services**”) to Spartan to support oil and gas operations at certain of Spartan’s well sites between October, 2021 and January, 2022, in respect of well sites located in or around townships 43-45, ranges 8-10W5;

AND WHEREAS the Receiver was appointed as receiver and manager of, among others, Big Bear, pursuant to an Order of the Court of Queen’s Bench of Alberta, dated February 4, 2022 (the “**Enhanced Interim Receivership and Receivership Order**”);

AND WHEREAS Big Bear or the Receiver submitted invoices and/or field tickets (collectively, the “**Invoices**”) to Spartan for the provision of the Services between the dates of November 2, 2021 and January 29, 2022, totaling \$2,484,976.42;

AND WHEREAS Spartan has disputed certain of the amounts submitted in the Invoices;

AND WHEREAS the Enhanced Interim Receivership and Receivership Order empowers the Receiver to initiate, prosecute and continue the prosecution of any and all proceedings with respect to Big Bear, and to take any steps reasonably incidental in respect of same;

AND WHEREAS the Parties have agreed to freeze, preserve, and protect their respective claims, defences, rights, powers and immunities and to extend all time limits and limitation periods, whether provided under the *Builders Lien Act*, RSA 2000, c B-7 (the “**Builders Lien Act**”), the *Limitations Act*, RSA 2000, L-12 (the “**Limitations Act**”), or otherwise, that may be applicable in relation to the Services provided by Big Bear.

NOW THEREFORE IN CONSIDERATION OF the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

1. Commencing on the Effective Date of this Agreement, the running of any and all time limits or limitation periods for the commencement of claims or filing of liens, that have not expired as of the Effective Date, shall be tolled and suspended from the Effective Date until the earlier of (a) ninety days (90) from the Effective Date of this Agreement, and (b) thirty (30) days following notice of termination of this Agreement given by any party in accordance with paragraph 3 of this Agreement.
2. The Parties hereby expressly agree not to plead or assert any time limits, including those pursuant to the *Builders Lien Act, Limitations Act*, any other applicable legislation, and any other time limit or limitation period (under contract, statute, or otherwise), any equitable doctrine including laches, or any other defence based upon the passage of time that would have applied to a claim or lien filed in relation to the Services in the absence of the tolling of time as set out in this Agreement.
3. The notices provided for under paragraph 1(b) hereof shall be in writing, shall state that they are given under this Agreement, and shall be delivered (by email, facsimile, or otherwise) to the following:
 - (a) ALVAREZ & MARSAL CANADA INC.

202 6 Ave SW
Calgary, AB
T2P 2R9
Attn.: Orest Konowalchuk
Email: okonowalchuk@alvarezandmarsal.com
 - (b) SPARTAN DELTA CORP

Suite 1500, Jamieson Place
308 - 4th Avenue SW
Calgary, AB
T2P 0H7
Attn: Craig Martin
Email: cmartin@spartandeltacorp.com
4. This Agreement does not constitute an admission of liability on the part of either of the Parties.
5. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. No modification or amendment to this Agreement may be made unless agreed to in writing by both parties.
6. This Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta. The Courts of the Province of Alberta shall have exclusive jurisdiction to hear and determine any dispute arising under or in respect of this Agreement.
7. This Agreement may be executed in counterparts, each of which so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument and notwithstanding their date of execution, will be deemed to bear the Effective Date set out in this Agreement.
8. If any of the provisions of this Agreement should be determined to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired by this determination.

The Parties have executed this Agreement effective the date first written above.

**BIG BEAR ENERGY RENTALS LTD., by and through its
Court-appointed receiver and manager, Alvarez & Marsal Canada Inc.,
and not acting in the Receiver's personal or corporate capacity**



Per: _____

Name: David Williams

Title: Senior Manager

"I warrant that I am authorized to enter into this agreement and that my doing so binds the corporation"

SPARTAN DELTA CORP.

DocuSigned by:

C32B1F1F6DFE43E...

Per: _____

Name: Craig Martin

Title: Vice President - Operations

"I warrant that I am authorized to enter into this agreement and that my doing so binds the corporation"

Appendix D
Pine Cliff Demand Letter

MCLENNAN ROSS

LEGAL COUNSEL

Charles P. Russell, Q.C.
chuck.russell@mross.com
Direct 780.482.9115

Our File Reference: 20220672

Erika Kiss, Assistant
erika.kiss@mross.com
Direct 780.482.9262

March 18, 2022

Fax 780.733.9757

PLEASE REPLY TO EDMONTON OFFICE

SENT VIA EMAIL TO dkeenan@pinecliffenergy.com

Pine Cliff Energy Ltd.
850, 1015 4 Street SW
Calgary, AB T2R 1J4

Attention: Dan Keenan

Dear Sir:

Re: Amounts Owed to Big Bear Energy Rentals Ltd.

Please be advised we are counsel to Alvarez & Marshal Canada Inc. as Receiver and Manager of Big Bear Energy Rentals Ltd. We understand that \$557,318.41 is owed by Pine Cliff Energy Ltd. to Big Bear Energy Rentals Ltd. for services rendered from December 18, 2021 through January 12, 2022. We hereby demand that you make payment of the sum of \$557,318.41 on or before April 1, 2022.

We have prepared Statements of Lien for registration against Pine Cliff Energy's interests in the subject minerals and surface lands and intend to submit same for registration at Alberta Energy and at Land Titles forthwith. Please be advised that we have instructions to enforce these Liens as against those interests and pursue other recourse against Pine Cliff Energy Ltd. should payment not be received on or before April 1, 2022.

Edmonton

600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
Telephone 780 482 9200
Facsimile 780 482 9100
Toll-free 800 567 9200

Calgary

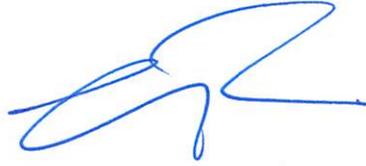
1900 Eau Claire Tower
600 - 3rd Avenue SW
Calgary, AB T2P 0G5
Telephone 403 543 9120
Facsimile 403 543 9150
Toll-free 888 543 9120

Yellowknife

301 Nunasi Building
5109 - 48th Street
Yellowknife, NT X1A 1N5
Telephone 867 766 7677
Facsimile 867 766 7678
Toll-free 888 836 6684

We look forward to receipt of payment as aforesaid.

Yours truly,

A handwritten signature in blue ink, appearing to be 'CR', with a stylized flourish at the end.

CHARLES P. RUSSELL, Q.C.

CPR/emk

cc: Alvarez & Marsal Canada Inc.(Attn: Orest Konowalchuk, David Williams and Stephen Oosterbaan)
McLennan Ross LLP (Attn: Corbin Devlin and Justine Bell)

20220672 - 4158-4577-3877 v.1

Appendix E
Filed Pine Cliff Liens



Do not write or staple in the above barcoded area

DRR #: D002GD0 Version #: 1 Access Code: 35709

Document Registration Request

COPY

Box 7575 Calgary
Alberta T2P 2R4
Telephone (403) 297-6511

Box 2380 Edmonton
Alberta T5J 2T3
Telephone (780) 427-2742

Name: **MCLENNAN ROSS LLP**

Create Date: **2022-03-25**

Address: **600, 12220 STONY PLAIN ROAD
EDMONTON, ALBERTA
T5N3Y4**

Account or Party Code: **A061484**

Return By Call Box

Call Box Number: **E107**

Customer File Number:

20220672/BRENDA G.

Name of Requester:

BRENDA GRIFFITHS

Last Registration Number:

Telephone Number:

780 482-9156

Email Address:

brenda.griffiths@mross.com

Customer's Special Instructions:
No instructions specified.

Priority	Document Type	Land IDs	Comments	Other Services
1	BUILDERS LIEN	201124145004		

This DRR will not appear in the Pending Registration Queue (PRQ) until Land Titles receives a printed copy of this DRR with the original documents or the RR is electronically submitted through Alberta Land Titles Online (ALTO). Please note that any errors or omissions may result in loss of priority in the PRQ.

This information is being collected for the purposes of land titles records in accordance with the Land Titles Act. Questions about the collection of this information can be directed to the Freedom of Information And Protection of Privacy Co-ordinator for Service Alberta, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-2742.

Refunds of overpayments will not be issued if less than \$5.00.

Lienholder Big Bear Energy Rentals Ltd., by and through its Court appointed Receiver and Manager, Alvarez & Marsal Canada Inc., and not in its corporate or personal capacity

Address 1110, 250 6 Avenue SW
Calgary, AB T2P 3H7

claims a Lien under the Builder's Lien Act in the ~~fee simple estate OR (specify if some other type of estate or interest applies)~~ leasehold interest

Name Pine Cliff Energy Ltd.

Address 850, 1015 4 Street SW
Calgary, AB T2R 1J4

in the following land:

15-30-32-24 W4

The Lien is claimed in respect of the following work or materials:

The supply of equipment, labour, and materials to enable water to be transferred from various bodies of water to operating well sites to support oil and gas extraction.

which work or materials were or are to be provided for:

Name of Person or Corporation: Pine Cliff Energy Ltd.

Address 850, 1015 4 Street SW
Calgary, AB T2R 1J4

This lien is in respect of an improvement to an oil or gas well, or to an oil or gas well site, for which the lien may be registered in the Land Titles Office not later than 90 days from the last day that the work was completed or the materials were last furnished.

a) The work was completed or the materials were last furnished:

on January 12, 2022

-OR-

b) The work is not yet completed or all the materials have not yet been furnished.

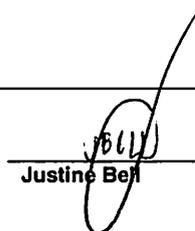
The sum claimed as due or to become due is \$557,318.41 including GST and before interest

The address for service of the Lienholder in the Province of Alberta is

McLennan Ross LLP
600, 12220 Stony Plain Road
Edmonton, AB T5N 3Y4
Attention: Chuck Russell

this 23rd day of March, 2022

at Edmonton, Alberta.


Justine Bell

I, Name of Lienholder, Occupation of Lienholder,
of full address, including postal code for lienholder, Alberta
named in the above (or annexed) statement make oath and say that the said claim is true.

Sworn before me at _____, Alberta

on the _____ day of _____, _____
(Signature of Applicant)

(Print or Stamp Name of Commissioner)

(Expiry Date of Commission or Office)

- OR -

I, Justine Bell, Barrister and Solicitor,
of Edmonton, Alberta

make oath and say:

1. That I am the agent (or assignee) appointed and solicitor for
Big Bear Energy Rentals Ltd., by and through its Court appointed Receiver and Manager, Alvarez & Marsal Canada Inc., and not in its corporate or personal capacity
named in the above (or annexed) statement and have full knowledge of the facts set forth in the above (or annexed) statement.

~~OR~~

I am informed by Orest Konowalchuk, Senior Vice President at Alvarez & Marsal Canada Inc.
and believe that the facts are as set forth in the above (or annexed) statement.

2. That the said claim is true (or when deponent has been informed, that I believe that the said claim is true).

Sworn before me at Edmonton, Alberta

on the 23rd day of March, 2022.
(Signature)
Justine Bell, Barrister and Solicitor

(Signature)
Commissioner for Oaths in and for Alberta

Victoria Callaghan
(Print or Stamp Name of Commissioner)

July 28, 2023
(Expiry Date of Commission or Office)

This information is being collected for the purposes of land titles records in accordance with the Builders' Lien Act and the Land Titles Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Research and Program Support, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-2742.



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0021 405 569 4;24;32;30;NE 201 124 145 +4

LEGAL DESCRIPTION
MERIDIAN 4 RANGE 24 TOWNSHIP 32
SECTION 30
QUARTER NORTH EAST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

MUNICIPALITY: KNEEHILL COUNTY

REFERENCE NUMBER: 161 171 517

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
201 124 145	16/07/2020	AFFIDAVIT OF SURVIVING JOINT TENANT		

OWNERS

NADA COLLEEN SCHEIBLER FRERE
OF BOX 625
TROCHU
ALBERTA T0M 2C0

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
5463IL .	09/07/1962	CAVEAT CAVEATOR - ASHLAND OIL & REFINING CO.
2967IO .	14/08/1962	CAVEAT CAVEATOR - ASHLAND OIL & REFINING CO.
1024JP .	22/04/1966	UTILITY RIGHT OF WAY GRANTEE - BUMPER DEVELOPMENT CORPORATION LTD.

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

REGISTRATION

201 124 145 +4

NUMBER	DATE (D/M/Y)	PARTICULARS
		1501, 300 - 5 AVENUE S.W. CALGARY ALBERTA T2P3C4 AS TO PORTION OR PLAN:3957JK "2.79 ACRES" (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 931010004)
2433LL .	31/05/1972	UTILITY RIGHT OF WAY GRANTEE - CANADIAN NATURAL RESOURCES LIMITED. BOX 6926, STN D CALGARY ALBERTA T2P2G1 AS TO PORTION OR PLAN:750LK "50 FT. STRIP" (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 931010004) (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 131083204) (DATA UPDATED BY: CHANGE OF NAME 151056888)
791 173 917	18/10/1979	UTILITY RIGHT OF WAY GRANTEE - CROSSROADS GAS CO-OP LTD.
911 070 455	09/04/1991	CAVEAT RE : SURFACE LEASE CAVEATOR - CANADIAN NATURAL RESOURCES LIMITED. BOX 6926, STN D CALGARY ALBERTA T2P2G1 (DATA UPDATED BY: TRANSFER OF CAVEAT 031427754) (DATA UPDATED BY: TRANSFER OF CAVEAT 041357877) (DATA UPDATED BY: CHANGE OF NAME 151068226)
921 295 615	23/11/1992	CAVEAT RE : EASEMENT CAVEATOR - BUMPER DEVELOPMENT CORPORATION LTD. 1501, 300 - 5 AVENUE S.W. CALGARY ALBERTA T2P3C4 AGENT - SUSAN M JOHNSON
941 270 831	20/10/1994	CAVEAT RE : LEASE CAVEATOR - CANADIAN NATURAL RESOURCES LIMITED. P O BOX 6926, STN D CALGARY

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

REGISTRATION

201 124 145 +4

NUMBER	DATE (D/M/Y)	PARTICULARS
		ALBERTA T2P2G1 (DATA UPDATED BY: CHANGE OF NAME 021432469) (DATA UPDATED BY: TRANSFER OF CAVEAT 041068220) (DATA UPDATED BY: CHANGE OF NAME 151068350)
951 037 512	13/02/1995	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - CANADIAN NATURAL RESOURCES LIMITED. P O BOX 6926, STN D CALGARY ALBERTA T2P2G1 (DATA UPDATED BY: CHANGE OF NAME 021432470) (DATA UPDATED BY: TRANSFER OF CAVEAT 041068224) (DATA UPDATED BY: CHANGE OF NAME 151068352)
951 068 593	23/03/1995	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - ALBERTA POWER LIMITED. 10035 105 STREET, EDMONTON ALBERTA AGENT - LANA ROTH
061 316 842	05/08/2006	CAVEAT RE : SURFACE LEASE UNDER 20 ACRES CAVEATOR - PINE CLIFF ENERGY LTD. SUITE 850, 1015 - 4TH ST SW CALGARY ALBERTA T2R1J4 (DATA UPDATED BY: TRANSFER OF CAVEAT 191032478) (DATA UPDATED BY: TRANSFER OF CAVEAT 191129862)
061 500 242	02/12/2006	UTILITY RIGHT OF WAY GRANTEE - ALPHABOW ENERGY LTD. (DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 181229838)
091 105 077	21/04/2009	DISCHARGE OF UTILITY RIGHT OF WAY 061500242 PARTIAL EXCEPT PLAN/PORTION: 0811764

TOTAL INSTRUMENTS: 013

(CONTINUED)

PENDING REGISTRATION QUEUE

PAGE 4

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D000XFH	15/02/2022	LANDSOLUTIONS INC. 4037482661 CUSTOMER FILE NUMBER: S21-43288	
001		CAVEAT	#201 124 145 +4
D002GD0	25/03/2022	MCLENNAN ROSS LLP 780 482-9156 CUSTOMER FILE NUMBER: 20220672/BRENDA G.	
001		BUILDERS LIEN	#201 124 145 +4

TOTAL PENDING REGISTRATIONS: 002

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 19 DAY OF APRIL, 2022 AT 11:40 A.M.

ORDER NUMBER: 44207152

CUSTOMER FILE NUMBER: 20220672 CDD



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

IF MORE INFORMATION IS REQUIRED ON A PENDING REGISTRATION WHERE THE CONTACT INFORMATION DISPLAYS N/A PLEASE EMAIL LTO@GOV.AB.CA.



**STATEMENT OF LIEN UPON
 INTEREST IN CROWN MINERALS**

(Sections 34 and 36 of the Builders' Lien Act)

This statement of lien applies in respect of the following (check the appropriate box): <input type="checkbox"/> To work done or materials furnished in respect of improvements, other than improvements to an oil or gas well or to an oil or gas well site, in which case this lien is to be registered with the Minister of Energy not later than 45 days from the last day that the work was last done or the materials were last furnished; <input checked="" type="checkbox"/> To work done or materials furnished in respect of improvements to an oil and gas well or to an oil or gas well site in which case this lien is to be registered with the Minister of Energy not later than 90 days from the last day that the work was done or the materials were last furnished.	
Name and residence of lienholder filing Lien	Lienholder Big Bear Energy Rentals Ltd., by and through its Court appointed Receiver and Manager, Alvarez & Marsal Canada Inc., and not in its corporate or personal capacity Address 1110, 250 6 Avenue SW Calgary, AB T2P 3H7
State facts if claimant is the assignee of the original lienholder	N/A.
Name and residence of owner of the interest in minerals upon which the lien is claimed	Claims a Lien under the Builders' Lien Act upon the interest in minerals of the following person: Owner Pine Cliff Energy Ltd. Address 850, 10145 4 Street SW Calgary, AB T2R 1J4
Legal description of land in which the minerals are located	The Lien is claimed in respect of minerals in the following land: All lands within Petroleum and Natural Gas Lease No. 001 125946
Set out mineral concerned	The mineral concerned is: Petroleum and Natural Gas
Short description of the nature of the work done or to be done or the materials furnished or to be furnished	The Lien is claimed in respect of the following work or materials: The supply of equipment, labour, and materials to enable water to be transferred from various bodies of water to operating well sites to support oil and gas extraction.
Name and residence of person for whom the work was done or is being done or the materials were furnished or are being furnished	The work was or is to be done for or the materials were or are being furnished to: Name of Person Pine Cliff Energy Ltd. Address 850, 10145 4 Street SW Calgary, AB T2R 1J4
Cross out the clause that does not apply	(a) The work was completed or the materials were last furnished on the 12 th day of January, 2022. -OR- (b) The work is not yet completed or all the materials have not yet been furnished.
Amount claimed	The sum claimed as due or to become due is \$557,318.41 plus interest.
Address for service	The address for service of the Lienholder is 600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4 in the Province of Alberta.

Dated at the _____ **City** _____
 of **Edmonton** _____ in the _____

Province of **Alberta**
 this **23rd** day of **March, 2022.**


Justine Bell
 Agent and Solicitor for Lienholder

Form 4.1
(Section 34(6) and (7))
Affidavit Verifying Claim by Other Than Lienholder

Justine Bell of the City of Edmonton in the Province of Alberta, Barrister and Solicitor, make oath and say:

- (1) I am the agent and solicitor of Big Bear Energy Rentals Ltd., by and through its Court appointed Receiver and Manager, Alvarez & Marsal Canada Inc., and not in its corporate or personal capacity, named in the annexed statement and am informed by Orest Konowalchuk, Senior Vice President at Alvarez & Marsal Canada Inc. and believe that the facts are as set forth in the above annexed statement.
- (2) I believe that the said claim is true.
- (3) I am executing this document by two-way video conferencing separate and apart from any other person.

SWORN BEFORE ME, Michaela Kocon,)
a lawyer in and for the Province of Alberta)
at the City of Edmonton in the Province)
of Alberta by two-way video conferencing)
with the deponent who was at the City of Edmonton)
in the Province of Alberta this 1st day of)
April, 2022 on the basis of evidence)
provided to me that enabled me to verify the)
deponent's identity and confirm the contents)
of the document being executed.)

Justine Bell



Michaela Kocon

Michaela D. Kocon
Barrister & Solicitor



Form 4.1
(Section 34(6) and (7))
Affidavit Verifying Claim by Other Than Lienholder

Justine Bell of the City of Edmonton in the Province of Alberta, Barrister and Solicitor, make oath and say:

- (1) I am the agent and solicitor of Big Bear Energy Rentals Ltd., by and through its Court appointed Receiver and Manager, Alvarez & Marsal Canada Inc., and not in its corporate or personal capacity, named in the annexed statement and am informed by Orest Konowalchuk, Senior Vice President at Alvarez & Marsal Canada Inc. and believe that the facts are as set forth in the above annexed statement.
- (2) I believe that the said claim is true.
- (3) I am executing this document by two-way video conferencing separate and apart from any other person.

SWORN BEFORE ME, Michaela Kocon,)
a lawyer in and for the Province of Alberta)
at the City of Edmonton in the Province)
of Alberta by two-way video conferencing)
with the deponent who was at the City of Edmonton)
in the Province of Alberta this 1st day of)
April, 2022 on the basis of evidence)
provided to me that enabled me to verify the)
deponent's identity and confirm the contents)
of the document being executed.)



Justine Bell

JUSTINE L. BELL
BARRISTER AND SOLICITOR

Michaela Kocon

Appendix F

Lloyd Letter and Receiver's Response

Direct Line: (403)571-1053
Email: nicholsonc@jssbarristers.ca
Assistant - Sarah Sklar (403)571-0739
File No: 15545-002

BY EMAIL

April 10, 2022

Alvarez & Marsal Canada ULC
1110-250 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Orest M.P. Konowalchuk

Dear Mr. Konowalchuk:

Re: Lloyd, Robert C. and Lloyd, Jason R. (the "Lloyds")

As you know, I act for the Lloyds.

Thank you for taking the time to thoroughly discuss matters during our call on March 23, 2022, and for your email of earlier this week on behalf of Alvarez & Marsal Canada ULC (the "Receiver").

As we have previously discussed, the Lloyds have given personal guarantees of Big Bear's indebtedness and for that reason, among others, the Lloyds are deeply concerned to ensure that the recovery relating to the assets (the "Assets") of the entities in the Receivership proceedings filed in Court of Queen's Bench Action No. 2201-010861, including Big Bear Energy Rentals Ltd., 1509571 AB Ltd. and Barricade Environmental Ltd. ("Barricade") is maximized.

It is the Lloyds' view that there is demand in this robust market for the Assets and that their sale proceeds combined with collection of the accounts receivable and other amounts to be collected for completed work and work in progress, ought to produce a recovery sufficient to fully repay all creditors with equity left over the Lloyds as shareholders.

The purpose of this letter is to raise or reiterate a number of issues of concern to the Lloyds, as follows, and ensure they are being properly attended to so that recovery is maximized and the Lloyds' not prejudiced:

1. You have advised that the Receiver is close to finalizing the equipment and inventory listing which you indicated has been counted from the ground up using the BDC's equipment listing. Thank you for your willingness to share it with us once it is complete. We look forward to receiving it.
2. The Lloyds are concerned to ensure that all Assets have been accounted for and brought into the Receiver's control (except those which remain in use on any outstanding job being managed by the Receiver) and that they have been properly safeguarded. In this regard, the following matters continue to be of concern to the Lloyds:

- a. It is the Lloyds' understanding that Jesse Eluik, Ben Emery and Ryan Larsen who were with Big Bear and have started a competing business through Torrent Fluid Solutions (the "Torrent Principals") were employed by the Receiver. It is also the Lloyds' understanding that the Receiver charged the Torrent Principals with collecting certain Big Bear assets, including those which were rented by the Receiver to TAQA North. It has come to the Lloyds' attention that approximately a minimum of 10-15 of the connections relating to this TAQA North-related equipment have been removed from the lines. Each connection costs approximately \$800 for a total replacement cost of approximately \$8,000 to \$12,000. Please see the attached 34 photos which Bob Lloyd took on Friday, April 1, 2022 on Hwy 11 west of Rocky Mountain House near Horburg which show that the connections have been cut from the lines.¹ Further, the existence of this equipment that had not been collected on behalf of the Receiver is contrary to one of the Torrent Principal's assertions to Bob Lloyd to the effect the Torrent Principals had returned all the equipment from west central Alberta and that the only remaining equipment was that being used for Conoco at Ft. St John as of April 1, 2022. Please ensure that the damaged hoses are collected and replaced without cost to Big Bear and that Big Bear is properly credited for the approximately \$8,000 to \$12,000 for the hose end connections plus the cost of the devaluation of the hose due to this cutting of the hose lines. Further, if this is the same method of demobilization used for all the equipment that has been demobilized from all the previous job sites and returned to the Big Bear yard the devaluation will be very significant. Please advise as to whether this same process was used elsewhere so that the amount of the devaluation can be credited to Big Bear, including for the Lloyds' benefit.
- b. It is the Lloyds' information from one of the Torrent Principals that no one in Ft. St. John is securing the Conoco-related equipment. Please advise as to the accuracy of this information and if it is inaccurate, advise as to what steps are being taken to safeguard that equipment.
- c. It is also the Lloyds' information that no one is securing the equipment in west central Alberta either. This is based on the advice of a landowner who advised that when the crews left, they indicated they would be coming back to pick up the equipment but no one has been back since then and he is not aware of any plan to do so. We look forward to hearing from you about your information about this.
- d. Regarding unit #642, Bob Lloyd inquired further and has advised that this equipment should be listed on the customs documents from early January 2022 when equipment was shipped back to Canada from the USA. Can you please verify this through a review of

¹ According to Bob Lloyd: "I also found that every place the hose had been feed through culverts, the hose has been cut off 20ft on either side of the culvert. This has an extreme effect of devaluing the hose by cutting it up like this. The hose is carried and stored on reels each containing 660 ft. This means that 5 reels makes up a kilometer of line for any specific job. If the specific job is 5 kilometers you send 25 reels. The result of cutting the hose in this way to remove it from the culverts means that you have to purchase 2 hose end fittings for connecting or repairing the hose at a price of about \$800 each and then you have the problem of the additional hose end clamps resulting in the hose not fitting on the reel due to the size of the additional fittings or reconnecting the hose with the cutout section being relaced which would mean you would only require 1 hose end fitting but would end up with reels of hose that are not 660ft thus having to incur the transportation cost of shipping extra reels because the hose lengths now are not standard and no way to calculate the length per reel. The proper way to handle this situation to preserve the value of the equipment would be to remove the existing hose end fitting if it could not be pulled through the culvert, then replace it once the hose is removed from the culvert with the end removed."

copies of the shipping documents. (Bob Lloyd has verified that Lorraine Shewchuk was involved in the customs document preparation with the brokers). Matt O'Neill, Big Bear's previous General Manager, was the person at Big Bear who coordinated the physical movement of the equipment across the border and can be available to assist Alvarez with the reconciliation of these assets in the USA.

- e. Two pumps from Big Bear were lent to Ben Rush, one of the Big Bear salesmen, to be used for watering down a motocross track that he was involved with east of Red Deer. Have these pumps been picked up or returned? We look forward to hearing back.
3. Regarding the Big Bear assets in the USA, it is our understanding from Matt O'Neill and Stephen Moffat, Barricade's previous General Manager in the USA, that Stephen Moffat had assisted the Receiver in trying to collect assets in the USA but that the Receiver expected him to pay associated travel and lodging costs for doing so. As a result, and because he has found a new job out of state, he was unwilling to continue and says that the Receiver subsequently stated that it would pay him for work done but that that has not happened. Can you please advise as to the status of this situation, including who was engaged instead of Stephen Moffat to collect the Big Bear assets in the USA and who advised the Receiver of their whereabouts. As well, does the USA Big Bear equipment listing include the following which are in the USA pursuant to a "Temporary Import Bond" (this is apparently important because such designated assets apparently may not be sold in the USA):
- a. (5) Frac Fluid Super Heaters
 - b. (1) Volvo Semi Truck
 - c. (6-7) Pick up and Flatdeck trucks
 - d. (2-3) Gooseneck and Bumper Pull trailers
 - e. (2) 6" Transfer Pumps
 - f. Variety of 4", 6" and 8" hoses and fittings
4. Regarding Barricade assets in the USA, please advise who was charged with securing those. The Lloyds are very concerned if that is Danny Hudson. He runs a competing business and there is concern that he may have taken possession of some of Barricade's assets.
5. Thank you for letting us know once you have decided on the proposed process for sale of the Assets. The Lloyds of course want to ensure that that has been well thought-out to maximize the recovery.
6. Our understanding is that for some time, counsel for Ken Carstairs has requested that a copy of Quickbooks be provided on a memory stick and that access be similarly granted to a copy of JobUTrax (the ticketing software). We understand that this request remains outstanding and that those materials have not been provided by the Receiver. Please advise and kindly provide a copy of the same to the Lloyds.
7. Regarding collections, the Lloyds are of the view that work completed supporting charges totalling a minimum of \$6M - \$7M should be collectible to cover approximately the \$5.5M which was

drawn down on the Canadian Western Bank's operating line of credit. As we discussed and as the Lloyds have advised the Receiver since the outset, the issue of not having tickets signed or invoices approved (to the extent that exists - for clarity, the Lloyds make no admissions in that regard) should not limit the effort to pursue payment in cases where work has been completed. It is not sufficient for the Receiver to limit its inquiries and work to stated accounts receivable which are supported by signed tickets and issued invoices because to do so would mean that a customer who has received the benefit services supplied by Big Bear or Barricade would receive them without paying anything for them on a *quantum meruit* basis. The customer would be unjustly enriched at Big Bear's or Barricade's expense and to its detriment. Please confirm that liens have been registered against the property of customers who have pushed back regarding tickets and invoices. As you know, there are strict time limitations in respect of the registration of liens. We look forward to hearing back on this issue.

8. Can you please advise as to whether the insurance claims have been processed regarding the break-in at the Cheyenne, WY shop and the truck that was stolen and found burnt at Rocky Mountain House, AB. We look forward to hearing back.

Thanks very much for your attention to this and we look forward to hearing back at your earliest convenience.

Yours truly,

Jensen Shawa Solomon Duguid Hawkes LLP



Christa Nicholson

Partner

CN:ss

Encl.

cc. David Williams, Jill Strubey of the Receiver
Robyn Gurofsky, Anthony Mersich, counsel for the Receiver
Clients

Robyn Gurofsky
T: 403-232-9774
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary AB T2P 0R3
Canada
T: 403-232-9500
F: 403-266-1395
blg.com



File No. 022910.000008

April 14, 2022

DELIVERED BY EMAIL (nicholsonc@jssbarristers.ca)

Jensen Shawa Solomon Duguid Hawkes LLP
800, 304 - 8 Avenue SW
Calgary, AB T2P 1C2

Attention: Christa Nicholson

Dear Ms. Nicholson:

**Re: Receivership of Big Bear Energy Rentals, Ltd (“Big Bear”) et al.
Concerns raised by Robert C. Lloyd and Jason R. Lloyd (collectively, the “Lloyds”)**

We are counsel to Alvarez & Marsal Canada Inc. in its capacity as receiver (the “**Receiver**”) of, among others, Big Bear, and write to you in relation to your letter to the Receiver dated April 10, 2022 (the “**April 10 Letter**”). We wish to take this opportunity to respond to the concerns you have raised with the Receiver on behalf of your clients in the April 10 Letter. Capitalized terms used herein have the same meaning as ascribed in the April 10 Letter unless otherwise defined.

We trust that once your clients review this response, they will have comfort that the Receiver is taking commercially reasonable steps to ensure the Assets are monetized with value maximization in mind.

1. The Lloyds have questioned the steps taken by the Receiver to identify and recover the assets. As the companies did not maintain records tracking the location of the assets, the Receiver relied upon the Freelance Desktop Appraisals conducted for Big Bear, Barricade and 150 AB between August and September, 2021 (the “**Freelance Appraisals**”) to prepare a ‘ground up’ equipment and inventory listing (the “**Asset Listing**”), in order to ensure that all known equipment and inventory was accounted for. Of the 376 pieces of equipment and approximately 33,600 inventory items identified in the Freelance Appraisals, the Receiver has located 366 pieces of equipment and approximately 21,800 inventory items in 15 different locations across Canada and the United States. The majority of these assets have now been secured in the leased Big Bear and Barricade facilities (the “**Premises**”). Those assets which remain in remote locations are secure and are in the process of either being sold or returned to the Premises.

Attached hereto is the Asset Listing, which shows all assets located in Canada and the United States, as well as missing assets that the Receiver has thus far been unable to locate. Note that there are 10 pieces of equipment and approximately 11,000 inventory items missing. The

Receiver kindly requests that the Lloyds provide any information they have as to the whereabouts of the missing assets.

In addition to the foregoing, the Receiver wishes to follow up on its request of Mr. Robert Lloyd from February 17, 2022, in which the Receiver asked Mr. Lloyd to provide documentation supporting his ownership claim (e.g. proof of registration, ownership and payment information) over the assets which the Receiver understands are located at his personal residence, namely:

- a. 2008 Loudo 20' tandem trailer (VIN: 1L9BU18228N383165)
 - b. 2012 Look enclosed 8.5' x 20' tandem axle trailer (VIN: 53BTS162XCT000291)
 - c. John Deere 333EXT Skid Steer (VIN: 1T0333EMPGE297931)
2. The April 10 Letter raises multiple issues with the steps taken by the Receiver to retrieve, preserve and account for the Assets. The Receiver responds to each of these issues in turn:
- a. First, the Lloyds appear to be concerned with the engagement of the Torrent Principals in the receivership process. The Receiver advises that immediately after its appointment, it retained Jesse Eliuk, Ben Emery and Ryan Larsen, then employees of Big Bear, to assist with various matters in the receivership proceedings. The services provided included, but were not limited to: (i) collecting Big Bear's assets located in various remote locations, (ii) assisting with the preparation of field tickets and settlement of certain accounts receivable disputes, (iii) organizing assets at Big Bear's premises, and (iv) conducting a detailed equipment and inventory count with the assistance of certain other Big Bear employees retained by the Receiver. By way of background, Mr. Eliuk, Mr. Emery and Mr. Larsen were the form operations manager, project estimator & technical advisor, operations manger, respectively. These particular employees had specific knowledge and understanding of the companies' assets and other matters critical to allowing the Receiver to fulfill its duties. As you are aware, this approach is common practice in receivership proceedings, since employees of the debtor company typically have the greatest understanding of, and familiarity with, the debtor's assets and business affairs.

The Receiver terminated the engagement with Jesse Eliuk and Ben Emery on March 18, 2022 at which point the Receiver understands they began working actively at Torrent Fluid Solutions (“**Torrent**”). The Receiver continues to employ Ryan Larsen, who has been integral to the collection and organization of the Assets in Canada. Ryan Larsen has advised the Receiver that he is not involved with Torrent's operations and will not begin working for Torrent until his employment with the Receiver has concluded. The Receiver hired Jesse Eliuk as an independent contractor to provide assistance with invoice disputes and significant support in understanding, identifying and evaluating all issued field tickets for each job, which the Lloyds will recognize is an important step in understanding the status of accounts receivable. The Receiver may request his services again in the future. The Receiver has no evidence to cause it

concern that any of these individuals are impeding the efforts of the Receiver in the exercise of its duties or are otherwise dealing inappropriately with the Assets.

- b. Second, the Lloyds have expressed concern about the manner in which the Assets were demobilized from the TAQA North work site. The Receiver can advise that TAQA North was charged with the demobilization of the Assets from their site pursuant to the contractual arrangement in place. TAQA North directly engaged Torrent to conduct the demobilization work at the TAQA site, and the Receiver agreed this could occur given the Torrent personnel's understanding of the Assets. This was necessary from the Receiver's perspective as the Receiver did not have the field employees required to conduct the demobilization at the site given the field employees previously working on the active TAQA North jobs were terminated as soon as the active jobs were completed, in order to minimize costs to the debtors' estate.

The concerns expressed by the Lloyds with respect to these demobilization efforts are not borne in the facts. The Receiver advises that it had an inventory of all of the assets located at the TAQA North site independently conducted by Darryl Klassen, Big Bear's former equipment manager, during the first few weeks of the receivership proceedings. As at April 7, 2022, all of the assets identified in Mr. Klassen's inventory have been confirmed by Mr. Klassen as having been delivered to the Premises in Sylvan Lake.

Further, the Receiver advises that Torrent demobilized all of the TAQA North assets from March 28, 2022 to April 7, 2022. Thus, the pictures taken by Mr. Lloyd on April 1, 2022 were right in the middle of the demobilization period. Mr. Lloyd states that "approximately a minimum of 10-15 of the connections relating to this TAQA North-related equipment have been removed from the lines". However, as previously advised, all of the TAQA North assets inventoried at the outset of the receivership have been accounted for and returned to the Premises in Sylvan Lake. If the Lloyds are aware of specific connections that they believe are missing, the Receiver kindly requests that the Lloyds provide specific information to assist the Receiver in identifying whether those connections are in fact missing from the Premises.

Upon reviewing the Lloyds' allegation that certain of the hoses at the TAQA site were damaged, the Receiver contacted the Torrent Principals responsible for the demobilization to obtain further information. The Receiver was advised that the damaged hoses referred to by the Lloyds do not belong to Big Bear, but rather, are owned by Tsunami Water Solutions ("**Tsunami**"). The hose heads that had been removed were previously connected to Tsunami's hoses and were removed so Tsunami's employees could clear ice out of the line. Craig Johnston, who is the owner of Tsunami, confirmed Tsunami's ownership of the "damaged hoses" on April 11, 2022 to the Receiver. Mr. Johnston advised the Receiver that he was very displeased to hear that Robert Lloyd was taking pictures of Tsunami's lines and trespassing on a Tsunami site without express permission to do so. The Receiver is also concerned about safety risks arising from any person's unauthorized entry onto property where oil and gas operations are taking place. The Receiver therefore requests that the Lloyds advise the Receiver of their intention to attend on various sites and contact the appropriate

landowners or interested parties should they wish to inspect assets that they believe are the property of Big Bear.

- c. As for the security of equipment remaining at the Conoco site in Fort St. John, the Receiver can advise that such equipment is being rented by the Receiver to Blu-Water LP, and is currently being used in active operations conducted by Blu-Water LP. The Receiver understands that this equipment is 'rigged in' and not easily moveable. Ben Emery conducted an inventory of all of Big Bear's equipment on the Conoco site, at the Receiver's request, on March 17, 2022, which was the last day Ben Emery was in Fort St. John, BC. Blu-Water LP has secured the equipment remaining at the Conoco site, as is required for their operations. The Receiver engaged an independent transportation firm to transport any of Big Bear's equipment at the Conoco site not in use by Blu-Water LP directly back to Big Bear's secure facility.
 - d. The Receiver understands that Big Bear's equipment in the west central area of Alberta was only in use at the TAQA North site. As discussed above, this equipment has been returned to the Big Bear's yard in Sylvan Lake. If the Lloyds have information relating to specific equipment that they believe has not been retrieved, the Receiver kindly requests that the Lloyds advise the Receiver of same so that the Receiver can confirm whether such equipment has been returned to Big Bear's yard in Sylvan Lake.
 - e. On or about March 21, 2022, the Receiver requested all customs documents from Matt O'Neill and has reviewed the same for unit #642. The Receiver confirms that Unit #642 was imported under TIB Number TIN 36-4801630 on September 16, 2019; however, the Receiver has been unable to locate this asset. The Receiver kindly requests that the Lloyds provide any further information that they may have regarding the whereabouts of Unit #642.
 - f. The Lloyds advise that two Big Bear pumps were lent to a former Big Bear salesman for use at a motocross track east of Red Deer. On March 8, 2022, the Receiver sent Darryl Klassen to verify if these pumps were at the motocross track in Red Deer. Mr. Klassen confirmed that there were no pumps at the motocross track. The Receiver notes that it has accounted for all but one pump on the asset listing. In particular, 70 out of 71 pumps in total were recovered from various locations across Alberta, Wyoming and North Dakota. The Receiver kindly requests that the Lloyds provide any further information that they may have regarding the whereabouts of the last remaining pump.
3. The Receiver can advise that the Lloyds' information concerning Stephen Moffat is not accurate. In particular, Mr. Moffat assisted the Receiver by completing an asset count and attending shop tours in Texas, Wyoming, and North Dakota. Mr. Moffat submitted an invoice to the Receiver for approximately USD\$6,000 for services rendered as an independent contractor, and expenses incurred for travel and lodging. The Receiver mailed Mr. Moffat a cheque on or around March 10, 2022, and the Receiver confirmed with Mr. Moffat that he had deposited the cheque on March 30, 2022.

Regarding the equipment located in the United States subject to Temporary Import Bonds, the Receiver can advise that it has thoroughly reviewed all information provided to date by Mr.

O'Neill. The Receiver subsequently reached out to the US and Canadian brokers of Temporary Import Bonds to obtain further information. The Receiver is currently reviewing this issue with its counsel to determine an appropriate course of action for each Temporary Import Bond, with the aim of limiting potential costs incurred by the debtors' estate.

The Lloyds have listed certain equipment which they say are located in the United States, subject to a Temporary Import Bond. The Receiver is asking the Lloyds to provide more specific details regarding this equipment including serial numbers or other descriptors. As an example, 6-7 pick up and flatdeck trucks and a variety of 4", 6" and 8" hoses and fittings are not sufficiently described so as to permit the Receiver to confirm whether the equipment is subject to a temporary import bond. Once provided with a more specific description of the equipment, the Receiver will be able to verify if each piece of equipment is subject to a Temporary Import Bond.

4. In paragraph 4 of the April 10 Letter, the Lloyds express concern about the engagement of Danny Hudson to secure assets. The Receiver can advise that during the initial phase of the receivership proceeding, the Receiver engaged Stephen Moffat and Aaron Munoz to secure the Barricade assets located in the United States. Messrs. Moffat and Munoz were terminated as employees of Barricade effective February 15, 2022. Stephen Moffat subsequently worked for the Receiver for a brief period of time until he resigned on or about March 14, 2022. After Mr. Moffat's resignation, the Receiver engaged independent contractors to inspect and secure the assets and conduct regular checks on the leased premises in Williston, North Dakota and Cheyenne, Wyoming.

The Receiver notes that Danny Hudson was terminated as an employee of Barricade on February 8, 2022. Mr. Hudson was not involved in the securing of assets. Mr. Hudson was engaged by the Receiver on a limited basis to assist in freezing certain US bank accounts and dealing with various matters relating to a storage facility in Georgetown, Texas. All of the assets in Texas have been recovered and secured by the Receiver. Notwithstanding the concerns expressed by the Lloyds, the Receiver found Mr. Hudson to be very helpful in the two areas in which he was asked to assist.

5. The Receiver will communicate its plan with regards to the proposed sales process in due course and will report on the same in its upcoming court application on May 4, 2022.
6. The Receiver has not received a request for a copy of QuickBooks from Mr. Ken Carstairs or from his legal counsel. Should Mr. Carstairs request such documentation from the Receiver, the Receiver will review his request and determine what can be provided. It may be feasible to provide an 'offline' copy of QuickBooks to the Lloyds. To the extent there are any costs associated with providing this information, the Receiver will advise. If there is specific information being requested, kindly let us know.
7. The Receiver will report on all efforts related to the collection and validation of accounts receivable in its upcoming court report. This report, together with the prior report of the interim receiver, should address all questions with regards to accounts receivables.

8. Lastly, the Lloyds have asked about the insurance claims arising from the break-in at the Cheyenne WY shop and the stolen truck. The Receiver is in the process of investigating these claims with the debtors' insurance brokers. In order to assist with the Receiver's investigation, the Receiver kindly requests that the Lloyds provide any further information they may have regarding the claims or the break-in as these occurred prior to the appointment of the Receiver.

We trust the foregoing to provide satisfactory responses to the issues of concern raised by your clients.

We also wish to advise that the Receiver is highly cognizant of the fact that there are personal guarantees associated with the Big Bear credit facilities and that Mr. Lloyd is concerned about realizations given his personal exposure. That said, when parties imply that the Receiver is in some way acting improvidently in the exercise of its duties, and raise issues with steps taken by the Receiver without particulars or underlying facts to support the allegations, it causes the receivership estate to incur additional expense that further erodes the realizable value for creditors and increases exposure under personal guarantees. We encourage the Lloyds to remain active participants in the receivership process and look forward to receiving any additional information regarding the missing assets and the assets remaining at Mr. Lloyd's personal residence.

If you have any additional questions arising from this letter or otherwise, please do not hesitate to contact us.

Yours truly,

BORDEN LADNER GERVAIS LLP



Robyn Gurofsky

RG/kw
Enclosure

Appendix G

Blu-Water APA (redacted)

EQUIPMENT PURCHASE AND SALE AGREEMENT

THIS EQUIPMENT PURCHASE AND SALE AGREEMENT (this “**Agreement**”) made as of the 21 day of April, 2022 (the “**Effective Date**”),

BETWEEN:

ALVAREZ & MARSAL CANADA INC. in its capacity as receiver and manager of Big Bear Energy Rentals Ltd. (“**Big Bear**” or the “**Debtor**”), 1509571 Alberta Ltd., 5556300 Manitoba Ltd., Barricade Environmental Ltd., and Direct Environmental Technologies Inc., and not in its personal or corporate capacity (herein referred to as “**Vendor**” or “**Receiver**”)

- and -

BLU-WATER LP LTD.
a corporation existing under the laws of the Province of British Columbia
(the “**Purchaser**”)

WHEARAS on January 21, 2022, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an order appointing Alvarez & Marsal Canada Inc. as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”);

AND WHEREAS on February 4, 2022, the Court granted an order enhancing the Interim Receiver’s powers and, effective February 9, 2022, appointed the Interim Receiver as receiver and manager of all of the Property (in such capacity, the “**Receiver**”, and such Order being the “**Receivership Order**”);

AND WHEREAS the Debtor owns the equipment described in Schedule “A” (the “**Equipment**”);

AND WHEREAS as at the Effective Date, the Purchaser is renting the Equipment from the Receiver and has installed the Equipment at a jobsite situated near Ft. St. John, BC;

AND WHEREAS accounts receivable remain outstanding between the Purchaser, the Debtor and the Receiver;

AND WHEREAS the Receivership Order empowers the Receiver to sell, convey, transfer, lease or assign the Debtor’s property; and

AND WHEREAS the Receiver has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Receiver, the Equipment, for the purchaser price of [REDACTED] + GST (the “**Purchase Price**”) subject to, and in accordance with, the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each of the Vendor and Purchaser (together, the “**Parties**”), respectively), the Parties covenant and agree as follows:

1. **EQUIPMENT PURCHASE AND SALE**

1.1 **Purchase and Sale:** Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase from the Vendor, with effect as of the Effective Date, all of the Debtor’s right, title and interest in and to the Equipment.

1.2 **Payment of Purchase Price:** The Purchaser will pay the Purchase Price to the Vendor prior to April 26, 2022 by way of cheque, wire transfer, bank draft or in any other manner mutually agreed to by the Parties, to be held in trust by the Vendor, through its counsel and releasable upon Closing.

1.3 **Sales Tax:** The Purchaser shall pay to the Vendor or, where permitted by applicable law, directly to the appropriate governmental authorities, all sales and transfer taxes, registration charges and transfer fees, including GST/HST (collectively, “**Tax**”), payable by it in respect of the purchase and sale of the Equipment under this Agreement, and, on request of the Vendor, the Purchaser shall furnish to the Vendor proof of direct payment to a Governmental Authority.

1.4 **Accounts Payable:** The Purchaser and Vendor each acknowledge and agree that as at the Effective Date, the outstanding accounts payable as between the Purchaser, the Debtor and the Receiver are as follows:

and that set-off shall apply in respect to the above, such that as at the Effective Date, the outstanding accounts payable owing by the Debtor and the Receiver to the Purchaser are nil, and the outstanding accounts payable owing by the Purchaser to the Receiver is [REDACTED] (“**Remaining A/P**”).

2. **VENDOR REPRESENTATIONS AND WARRANTIES**

2.1 **Vendor Representations and Warranties:** The Vendor represents and warrants to the Purchaser, and acknowledges that, in each case, the Purchaser is relying on such representations and warranties in connection with its entering into this Agreement and purchase of the Equipment, that:

- (a) the Equipment is sold “as is, where is” and the Vendor makes no representations or warranties as to the condition of the Equipment;
- (b) the Vendor has full right, power, approval and authority to sell, transfer and deliver the Debtor’s right title and interest in and to Equipment to the Purchaser, pursuant to the Receivership Order;
- (c) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (d) the Vendor is a registrant for the purposes of the *Excise Tax Act* (Canada).

2.2 **Purchaser Representations and Warranties:** The Corporation hereby represents and warrants to Vendor, and acknowledges that Vendor is relying on such representations and warranties, as follows:

- (a) **Organization and Valid Existence** - The Purchaser is a corporation organized and validly existing under the laws of British Columbia.
- (b) **Power and Authority** - The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary action on the part of the Purchaser.
- (c) **Full Disclosure** - There are no facts known to the Purchaser which should be disclosed to Vendor in order to make any of the representations and warranties of the Purchaser contained herein not misleading.
- (d) **Payment of Accounts Payable** – The Purchaser shall pay at least \$200,000 of the Remaining A/P to the Receiver by no later than April 30, 2022, and shall pay the thereafter remaining outstanding portion of the Remaining A/P as soon as the Purchaser receives payment of its accounts receivable owing to it by its customers, and in any event by no later than June 30, 2022.

2.3 **Survival.** The representations and warranties of the Vendor and Purchaser contained in this Agreement shall survive the completion of the purchase and sale of the Equipment and, notwithstanding such completion, shall continue in full force and effect for the benefit of the Vendor or Purchaser, as applicable.

3. CLOSING

3.1 **Closing:** The purchase and sale of the Equipment, and the completion of the transactions contemplated under this Agreement, will be completed within two business days of obtaining the Vesting Order from the Court, at such place as may be agreed to by the Parties and subject to any applicable Order of the Court of Queen’s Bench of Alberta.

3.2 **Closing – Vendor:** At the Closing of the purchase and sale herein contemplated, the Vendor shall hereby deliver to the Purchaser the Vesting Order from the Court:

3.3 **Closing - Purchaser:** At the Closing of the purchase and sale herein contemplated the Purchaser shall deliver or cause to be delivered to Vendor:

- (a) confirmation that the Purchase Price is releasable pursuant to paragraph 1.2;
- (b) a certified resolution of the limited partners of the Purchaser authorizing the purchase of the Equipment; and
- (c) such further documents and assurances as may be reasonably required by the Vendor’s solicitors in order to complete the sale contemplated herein.

4. **RELEASE & INDEMNITY**

4.1 The Purchaser hereby remises, releases and forever discharges the Receiver and the Debtor, their shareholders, predecessors, subsidiaries, affiliates, successors and assigns and their past and present directors, officers, employees, servants, agents and representatives, as applicable (collectively, the “**Releasees**” and each a “**Releasee**”) from all actions, causes of action, suits, proceedings, debts, guarantees, accounts, bonds, duties, covenants, contracts, liabilities, obligations, damages, grievances, executions, judgments, set-offs, claims and demands of any kind whatsoever (including, without limitation, any claim for loss or damage not yet ascertained), both in law and in equity, whether implied or express (each, a “**Claim**”) which the Purchaser has or hereafter may have against the Releasees or any of them for or by reason of or in any way arising out of any cause, matter or thing whatsoever existing, or done or omitted to be done by a Releasee with respect to the Equipment.

4.2 The Purchaser agrees not to make any claims or take any proceedings in connection with any of the Claims released against any other party herein that might claim contribution or indemnity from a Releasee by virtue of the said Claim or proceeding and that if any such claim for contribution or indemnity is brought by another party against a Releasee, the Purchaser will dismiss its claim or proceeding against the other party and will indemnify such Releasee for any costs incurred as a result of such Claim.

4.3 The Purchaser represents and warrants that it has not assigned any of the matters released or with respect to which they have agreed not to make any claims or take any proceedings.

4.4 If a Purchaser hereafter makes or publishes any claims or demands or takes or threatens to take any action or other proceeding against a Releasee or others on the basis of the Claims discharged by this release, then this release may be raised as an estoppel to any such claim, demand or proceeding.

5. **MISCELLANEOUS**

5.1 **Further Assurance:** The Parties shall execute all other documents and instruments and do all other things necessary to implement and carry out the terms of this Agreement, including, without limitation, any acts or things required to assign from the Vendor to the Purchaser the benefit of any third party warranties in respect of the Equipment.

5.2 **Notice:** Any notice, direction or other instrument required or permitted to be given under this Agreement shall be in writing and may be delivered in person, transmitted by email or sent by registered mail, charges prepaid, addressed as follows:

(a) if to the Vendor:

Alvarez & Marsal Canada Inc.
202 6 Ave SW
Calgary, AB T2P 2R9
Attention: Orest Konowalchuk / Dave Williams
Phone: (403) 538-4736 / (403) 538-7536
Email: okonowalchuk@alvarezandmarsal.com /
david.williams@alvarezandmarsal.com

(b) if to the Purchaser:

Blu-Water LP Ltd.

Box 664
Charlie Lake, BC V0C 1H0
Attention: Matt Dohm / Dennis Davis
Phone: (250) 262-7718 / (250) 262-8890
Email: office@blu-water.ca / dennis@blu-water.ca

5.3 **Time of Essence:** Time is of the essence of this Agreement and each of the terms and conditions of this Agreement.

5.4 **Governing Law and Attornment:** This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and each of the Parties hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

5.5 **Modification:** This Agreement may not be modified or amended except by instrument in writing signed by the Parties.

5.6 **Severability:** Should any part of this Agreement be held unenforceable for any reason, the unenforceable portion of this Agreement will not affect the enforceability of the remainder of this Agreement, which will continue in full force and effect and be construed as if this Agreement had been executed without the unenforceable portion. It is hereby declared the intention of the Parties that this Agreement would have been executed without reference to any portion that may, for any reason, be held unenforceable.

5.7 **Enurement:** This Agreement will be binding upon and enure to the benefit of the Parties and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

5.8 **Entire Agreement:** This Agreement and the documents referenced in this Agreement, including, without limitation, the executed Bill of Sale, constitute the entire agreement between the Parties and supersedes all previous communications, representations and agreements, whether verbal or written, between the Parties with respect to the subject matter of this Agreement, and there are no representations, warranties, conditions, terms or collateral agreements, express, implied or statutory, between the Parties except as expressly contemplated in this Agreement.

5.9 **Amendment and Waivers:** No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement in whole or in part shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

5.10 **Counterparts:** This Agreement may be executed in any number of counterparts, each of which when executed and delivered (by facsimile, email or otherwise) will be deemed to be an original, and all of which together will constitute one and the same document.

[Remainder of page left blank – Signature page to follow]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

ALVARAEZ & MARSAL CANADA INC., in its capacity as receiver and manager of Big Bear Energy Rentals Ltd., and not in its personal capacity

By: 
Name: Orest Konowalchuk
Title: Senior Vice President

BLU-WATER LP LTD.

By: 
Name: Dennis Davis
Title: owner

April 21, 2022

SCHEDULE "A"

Equipment

Item	Quantity	Location
Hose Reel (Empty)	41	Conoco Fresh Water Line
10" Quick Vic Clamps	106	Conoco Fresh Water Line
Whip Check Steel Cable	45	Conoco Fresh Water Line
10" Gate Valve Vic	27	Conoco Fresh Water Line
10" Butterfly Valve Vic	5	Conoco Fresh Water Line
8" Quick Vic Clamp	4	Conoco Fresh Water Line
10" to 8" Vic Fitting	4	Conoco Fresh Water Line
10" Tee Manifold Vic	3	Conoco Fresh Water Line
10" Y Manifold Vic	9	Conoco Fresh Water Line
10" 90 Vic Steel	6	Conoco Fresh Water Line
10" 45 Vic Steel	9	Conoco Fresh Water Line
Hose Deployer	1	Conoco Fresh Water Line
10" Short Hose Vic 12'	3	Conoco Fresh Water Line
10" Short Hose Vic 20'	2	Conoco Fresh Water Line
Road Crossing	2	Conoco Fresh Water Line
10" Short Hose Vic 100'	2	Conoco Fresh Water Line
10" Flow Meter SN:02192428	1	Conoco Fresh Water Line
Pig Catcher	1	Conoco Fresh Water Line
10" Flow Meter SN:08210760	1	Conoco Produced Water Line
8" Vic Gate Valve	3	Conoco Produced Water Line
8" Quick Vic Clamp	16	Conoco Produced Water Line
10" Quick Vic Clamp	7	Conoco Produced Water Line
10" Vic Blind	2	Conoco Produced Water Line
8" Vic Blind	3	Conoco Produced Water Line
Whip Check Steel Cable	55	Conoco Produced Water Line
8" Vic Butterfly Valve	12	Conoco Produced Water Line
10" x 8" Vic Reducer Fitting	8	Conoco Produced Water Line
8" 907 Vic to HDPE Fitting	31	Conoco Produced Water Line
8" 905 HDPE Fitting	28	Conoco Produced Water Line
8" HDPE Tee Fitting	9	Conoco Produced Water Line
2" Fittings for capping Blind	4	Conoco Produced Water Line
Drip Tray	31	Conoco Produced Water Line
8" HDPE 90	8	Conoco Produced Water Line
Spill Kit	2	Conoco Produced Water Line
8" Vic Hard Hose 20'	6	Conoco Produced Water Line
8" Vic Hard Hose 10'	1	Conoco Produced Water Line
8" Vic Y Manifold	1	Conoco Produced Water Line
8" HDPE 45	5	Conoco Produced Water Line

Appendix H
Dakow APA (redacted)

EQUIPMENT PURCHASE AND SALE AGREEMENT

THIS EQUIPMENT PURCHASE AND SALE AGREEMENT (this “**Agreement**”) made as of the 21 day of April, 2022 (the “**Effective Date**”),

BETWEEN:

ALVAREZ & MARSAL CANADA INC. in its capacity
as receiver and manager of Big Bear Energy Rentals Ltd. (“**Big Bear**” or the “**Debtor**”),
1509571 Alberta Ltd., 5556300 Manitoba Ltd., Barricade Environmental Ltd.,
and Direct Environmental Technologies Inc., and not in its personal
or corporate capacity (herein referred to as “**Vendor**” or “**Receiver**”)

- and -

DAKOW VENTURES LTD.
a corporation existing under the laws of the Province of British Columbia
(the “**Purchaser**”)

WHEARAS on January 21, 2022, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an order appointing Alvarez & Marsal Canada Inc. as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”);

AND WHEREAS on February 4, 2022, the Court granted an order enhancing the Interim Receiver’s powers and, effective February 9, 2022, appointed the Interim Receiver as receiver and manager of all of the Property (in such capacity, the “**Receiver**”, and such Order being the “**Receivership Order**”);

AND WHEREAS the Debtor owns the equipment described in Schedule “A” (the “**Equipment**”);

AND WHEREAS as at the Effective Date, the Purchaser is renting the Equipment from the Receiver and has installed the Equipment at a jobsite situated near Ft. St. John, BC;

AND WHEREAS accounts receivable remain outstanding between the Purchaser, the Debtor and the Receiver;

AND WHEREAS the Receivership Order empowers the Receiver to sell, convey, transfer, lease or assign the Debtor’s property; and

AND WHEREAS the Receiver has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Receiver, the Equipment, for the purchaser price of [REDACTED] + GST (the “**Purchase Price**”) subject to, and in accordance with, the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each of the Vendor and Purchaser (together, the “**Parties**”), respectively), the Parties covenant and agree as follows:

1. **EQUIPMENT PURCHASE AND SALE**

1.1 **Purchase and Sale:** Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase from the Vendor, with effect as of the Effective Date, all of the Debtor’s right, title and interest in and to the Equipment.

1.2 **Payment of Purchase Price:** The Purchaser will pay the Purchase Price to the Vendor prior to April 26, 2022 by way of cheque, wire transfer, bank draft or in any other manner mutually agreed to by the Parties, to be held in trust by the Vendor, through its legal counsel, and releasable on Closing.

1.3 **Sales Tax:** The Purchaser shall pay to the Vendor or, where permitted by applicable law, directly to the appropriate governmental authorities, all sales and transfer taxes, registration charges and transfer fees, including GST/HST (collectively, “**Tax**”), payable by it in respect of the purchase and sale of the Equipment under this Agreement, and, on request of the Vendor, the Purchaser shall furnish to the Vendor proof of direct payment to a Governmental Authority.

1.4 **Accounts Payable:** The Purchaser and Vendor each acknowledge and agree that as at the Effective Date, the outstanding accounts payable as between the Purchaser, the Debtor and the Receiver are as follows:

and that set-off shall apply in respect to the above, such that as at the Effective Date, the outstanding accounts payable owing by the Debtor and the Receiver to the Purchaser are nil, and the outstanding accounts payable owing by the Purchaser to the Receiver is [REDACTED] (“**Remaining A/P**”).

2. **VENDOR REPRESENTATIONS AND WARRANTIES**

2.1 **Vendor Representations and Warranties:** The Vendor represents and warrants to the Purchaser, and acknowledges that, in each case, the Purchaser is relying on such representations and warranties in connection with its entering into this Agreement and purchase of the Equipment, that:

- (a) the Equipment is sold “as is, where is” and the Vendor makes no representations or warranties as to the condition of the Equipment;
- (b) the Vendor has full right, power, approval and authority to sell, transfer and deliver the Debtor’s right, title and interest in and to the Equipment to the Purchaser, pursuant to the Receivership Order;
- (c) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (d) the Vendor is a registrant for the purposes of the *Excise Tax Act* (Canada).

2.2 **Purchaser Representations and Warranties:** The Corporation hereby represents and warrants to Vendor, and acknowledges that Vendor is relying on such representations and warranties, as follows:

- (a) **Organization and Valid Existence** - The Purchaser is a corporation organized and validly existing under the laws of British Columbia.
- (b) **Power and Authority** - The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary action on the part of the Purchaser.
- (c) **Full Disclosure** - There are no facts known to the Purchaser which should be disclosed to Vendor in order to make any of the representations and warranties of the Purchaser contained herein not misleading.
- (d) **Payment of Accounts Payable** – The Purchaser shall pay the Remaining A/P to the Receiver as soon as possible, and in any event by no later than June 15, 2022.

2.3 **Survival.** The representations and warranties of the Vendor and Purchaser contained in this Agreement shall survive the completion of the purchase and sale of the Equipment and, notwithstanding such completion, shall continue in full force and effect for the benefit of the Vendor or Purchaser, as applicable.

3. CLOSING

3.1 **Closing:** The purchase and sale of the Equipment, and the completion of the transactions contemplated under this Agreement, will be completed within two business days of obtaining the Vesting Order from the Court, at such place as may be agreed to by the Parties and subject to any applicable Order of the Court of Queen’s Bench of Alberta.

3.2 **Closing – Vendor:** At the Closing of the purchase and sale herein contemplated, the Vendor shall hereby deliver to the Purchaser the Vesting Order from the Court.

3.3 **Closing - Purchaser:** At the Closing of the purchase and sale herein contemplated the Purchaser shall deliver or cause to be delivered to Vendor:

- (a) Confirmation that the Purchase Price is releasable;
- (b) certified copy of resolutions of the limited partners of the Purchaser authorizing the purchase of the Equipment; and
- (c) such further documents and assurances as may be reasonably required by the Vendor’s solicitors in order to complete the sale contemplated herein.

4. RELEASE & INDEMNITY

4.1 The Purchaser hereby remises, releases and forever discharges the Receiver and the Debtor, their shareholders, predecessors, subsidiaries, affiliates, successors and assigns and their past and present directors, officers, employees, servants, agents and representatives, as applicable (collectively, the “**Releasees**” and each a “**Releasee**”) from all actions, causes of action, suits, proceedings, debts, guarantees,

accounts, bonds, duties, covenants, contracts, liabilities, obligations, damages, grievances, executions, judgments, set-offs, claims and demands of any kind whatsoever (including, without limitation, any claim for loss or damage not yet ascertained), both in law and in equity, whether implied or express (each, a “Claim”) which the Purchaser has or hereafter may have against the Releasees or any of them for or by reason of or in any way arising out of any cause, matter or thing whatsoever existing, or done or omitted to be done by a Releasee with respect to the Equipment.

4.2 The Purchaser agrees not to make any claims or take any proceedings in connection with any of the Claims released against any other party herein that might claim contribution or indemnity from a Releasee by virtue of the said Claim or proceeding and that if any such claim for contribution or indemnity is brought by another party against a Releasee, the Purchaser will dismiss its claim or proceeding against the other party and will indemnify such Releasee for any costs incurred as a result of such Claim.

4.3 The Purchaser represents and warrants that it has not assigned any of the matters released or with respect to which they have agreed not to make any claims or take any proceedings.

4.4 If a Purchaser hereafter makes or publishes any claims or demands or takes or threatens to take any action or other proceeding against a Releasee or others on the basis of the Claims discharged by this release, then this release may be raised as an estoppel to any such claim, demand or proceeding.

5. MISCELLANEOUS

5.1 **Further Assurance:** The Parties shall execute all other documents and instruments and do all other things necessary to implement and carry out the terms of this Agreement, including, without limitation, any acts or things required to assign from the Vendor to the Purchaser the benefit of any third party warranties in respect of the Equipment.

5.2 **Notice:** Any notice, direction or other instrument required or permitted to be given under this Agreement shall be in writing and may be delivered in person, transmitted by email or sent by registered mail, charges prepaid, addressed as follows:

(a) if to the Vendor:

Alvarez & Marsal Canada Inc.
202 6 Ave SW
Calgary, AB T2P 2R9
Attention: Orest Konowalchuk / Dave Williams
Phone: (403)538-4736 / (403)538-7536
Email: okonowalchuk@alvarezandmarsal.com /
david.williams@alvarezandmarsal.com

(b) if to the Purchaser:

Dakow Ventures Ltd.
SS2 Site 12, Comp 316
Fort St. John, BC V1J 4M7
Phone: (250) 262-7718
Email: office@blu-water.ca /dave@blu-water.ca

5.3 **Time of Essence:** Time is of the essence of this Agreement and each of the terms and conditions of this Agreement.

5.4 **Governing Law and Attornment:** This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, and each of the Parties hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

5.5 **Modification:** This Agreement may not be modified or amended except by instrument in writing signed by the Parties.

5.6 **Severability:** Should any part of this Agreement be held unenforceable for any reason, the unenforceable portion of this Agreement will not affect the enforceability of the remainder of this Agreement, which will continue in full force and effect and be construed as if this Agreement had been executed without the unenforceable portion. It is hereby declared the intention of the Parties that this Agreement would have been executed without reference to any portion that may, for any reason, be held unenforceable.

5.7 **Enurement:** This Agreement will be binding upon and enure to the benefit of the Parties and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

5.8 **Entire Agreement:** This Agreement and the documents referenced in this Agreement, including, without limitation, the executed Bill of Sale, constitute the entire agreement between the Parties and supersedes all previous communications, representations and agreements, whether verbal or written, between the Parties with respect to the subject matter of this Agreement, and there are no representations, warranties, conditions, terms or collateral agreements, express, implied or statutory, between the Parties except as expressly contemplated in this Agreement.

5.9 **Amendment and Waivers:** No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement in whole or in part shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

5.10 **Counterparts:** This Agreement may be executed in any number of counterparts, each of which when executed and delivered (by facsimile, email or otherwise) will be deemed to be an original, and all of which together will constitute one and the same document.

[Remainder of page left blank – Signature page to follow]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

ALVARAEZ & MARSAL CANADA INC., in its capacity as receiver and manager of Big Bear Energy Rentals Ltd., and not in its personal capacity



By: _____

Name: Orest Konowalchuk

Title: Senior Vice President

DAKOW VENTURES LTD.



By: _____

Name: Dave Kowalik

Title: President

SCHEDULE "A"
Equipment

Item	Quantity (feet)	Location
10" Layflat Hose	21,654	Conoco Fresh Water Line

Appendix I
Proposed Sales Process

SALES PROCESS (“SP”)

Receivership of Big Bear Energy Rentals Ltd. (“**Big Bear**”), 1509571 Alberta Ltd., 5556300 Manitoba Ltd. Barricade Environmental Ltd. (“**Barricade**”), & Direct Environmental Technologies Inc. (collectively, the “**Debtors**”)

INTRODUCTION

1. On January 21, 2022, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an order appointing Alvarez & Marsal Canada Inc. as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).
2. On February 4, 2022, the Court granted an order enhancing the Interim Receiver’s powers and, effective February 9, 2022, appointed the Interim Receiver as receiver and manager of all of the Property (in such capacity, the “**Receiver**”, and such Order being the “**Receivership Order**”).
3. The Receivership Order authorizes the Receiver to market any or all of the Property (such marketed Property being the “**Assets**”).
4. The Receiver intends to obtain an Order from the Court approving this SP on May 4, 2022 (the “**Sales Process Order**”).

SP OVERVIEW

5. The purpose of this SP is, among other things, to:
 - a. describe the Assets available through the SP;
 - b. solicit interest in a sale or liquidation of all or substantially all of the Assets;
 - c. describe the manner in which parties interested in purchasing some or all of the Assets (“**Potential Bidders**”) may gain access to or continue to have access to due diligence materials concerning the Assets;
 - d. describe the manner in which Potential Bidders and their respective bids become Qualified Bidders and Qualified Bids (each defined below);
 - e. set out the process for delivery, receipt and negotiation of Bids (defined below) received; and
 - f. describe the process for selection of one or more Successful Bid(s) (defined below), and the process for obtaining approval of one or more Successful Bid(s) by the Court.
6. This SP, including the various deadlines set out herein, may be amended from time to time on notice to participants in the SP, by and at the sole discretion of the Receiver, with input from Canadian Western Bank and BDC. The Receiver will consider extending such deadlines, in the event that the Receiver determines that such an extension will generally benefit the Debtors’ creditors and other stakeholders.
7. The Receiver shall generally oversee the SP. In the event of a disagreement as to the interpretation or application of the SP, the Court will have jurisdiction to hear and resolve such dispute.

8. Any transaction for the sale of any Assets (a “**Transaction**”) will be on an “as is, where is” basis and without any existing or surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Receiver, or any of their respective agents, estates, or advisors, except to the extent as provided in the relevant Definitive Agreement(s) (defined below) with the Successful Bidder(s).
9. All of the right, title and interest in and to the Assets will be sold and transferred free and clear of all security interests, claims, options, and interests therein and there against pursuant to an approval and vesting order granted by the Court, with the exception of permitted encumbrances.
10. A summary of the key steps of the SP is as follows:

<u>Event</u>	<u>Date</u>
Receiver to send Teaser Letter to list of already known Potential Bidders and to advertise the SP in the publications identified below	May 4, 2022
Receiver to email contact list of identified interested parties and other potentially interested parties	May 5, 2022
Further advertisements of the Sales Process in the publications identified below	May 4 – 11, 2022
Qualified Bidders review the list of Assets and may schedule appointments to inspect the Assets	May 6 – 26, 2022
Bid Deadline	May 27, 2022 (12:00 p.m. Calgary time)
Receiver to review Bids, negotiate as required, and select Successful Bidder(s)	May 28 – June 1, 2022
Receiver to seek Court approval of Bid(s) submitted by Successful Bidder(s)	Week of June 20, 2022, or such other date as determined by the Receiver

THE SALE PROCESS

11. The Receiver shall prepare a list of Potential Bidders comprised of persons who are known to the Receiver as having an interest in purchasing the Assets or a portion thereof. Concurrently, the Receiver will prepare an initial offering summary (the “**Teaser Letter**”) notifying the Potential Bidders and any other interested persons of the SP and inviting them to express interest in making a bid for the Assets of a portion thereof (a “**Bid**”). The Teaser Letter shall provide key details regarding the Assets, provide pictures of the Assets, and set out important deadlines under this SP.
12. On May 4, 2022, the Receiver shall distribute the Teaser Letter to the Potential Bidders known to the Receiver, along with a copy of the Sales Process Order and a form of confidentiality agreement (the “**Confidentiality Agreement**”) that is acceptable to the Receiver in its sole discretion. Copies of the Teaser Letter, Sales Process Order and Confidentiality Agreement shall also be provided to any appropriate persons who become known to the Receiver after the distribution of such documents to the known Potential Bidders. The SP also shall be posted on the Receiver’s website.
13. Also on May 4, 2022, the Receiver shall advertise this SP in the following publications:
 - a. Globe & Mail (National);
 - b. FACILITYCalgary;

- c. Insolvency Insider;
- d. The Red Deer Advocate;
- e. The Sylvan Lake News;
- f. The Calgary Herald;
- g. The Edmonton Journal;
- h. Williston Daily Herald; and
- i. Cheyenne Post.

Concurrently, the Receiver will issue a press release with information regarding this SP in Canada Newswire and a United States equivalent newswire for dissemination in Canada and the United States.

14. Any Potential Bidder who (a) executes the Confidentiality Agreement, (b) provides written confirmation of the identity and contact information of the Potential Bidder, and (c) provides a written acknowledgement of receipt of a copy of the Sales Process Order approving this SP and agreeing to accept and be bound by the provisions contained therein and herein, shall be deemed to be a “**Qualified Bidder**”.

Due Diligence

15. Upon a Potential Bidder’s satisfaction of the conditions set out in paragraph 14 of this SP (and therefore becoming a Qualified Bidder), the Receiver will provide such Qualified Bidder with access to an electronic data room established by the Receiver (the “**Data Room**”) that will contain such information about the Assets that the Receiver, in its reasonable business judgment, determines to be necessary for the Qualified Bidder to evaluate a Transaction.
16. The Receiver shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders; however, the Receiver shall not be obliged to furnish any information relating to the Assets other than to a Qualified Bidder.
17. Qualified Bidders may schedule appointments with the Receiver to inspect the Assets between May 6, 2022 and May 26, 2022 in Canada and/or the United States.
18. The Receiver and its respective advisors make no representations or warranties as to the information made available pursuant to the SP, including any information contained in the Data Room.

Bid Process

19. Any Qualified Bidder who wishes to submit a Bid must deliver its Bid to the Receiver at the address specified at Schedule “A” attached hereto no later than 12:00 p.m. Mountain Time on May 27, 2022, or such other date or time as the Receiver may determine (the “**Bid Deadline**”).
20. For the purpose of assisting Qualified Bidders in submitting their Bids, the Assets shall be divided and marketed in groups, which are as follows:
- a. Assets owned by Big Bear (the “**Big Bear Assets**”) located in Sylvan Lake, Alberta, which shall be further divided into the following subgroups:
 - i. Trucks;

- ii. Trailers;
 - iii. Light & Heavy Equipment; and
 - iv. Fluid Management Equipment, and
 - b. Assets owned by Barricade (the “**Barricade Assets**”) located in Cheyenne, Wyoming and Williston, North Dakota, which shall be further divided into the following subgroups:
 - i. Trucks;
 - ii. Trailers;
 - iii. Light & Heavy Equipment; and
 - iv. Fluid Management Equipment.
21. Qualified Bidders may submit an *en bloc* Bid for the purchase of all of the Big Bear Assets and the Barricade Assets. Qualified Bidders may also submit a Bid in respect of any of the Asset groups or subgroups identified in paragraph 20, or any portion of those groups or subgroups.
22. In order for the Receiver to consider a Bid, the proposed purchase price contemplated by the Bid must be allocated as between the Big Bear Assets and the Barricade Assets, if applicable, and any further asset subgroup identified in paragraph 20 above, and must include one or more of the following three options:
- a. Net Minimum Guarantee;
 - b. Commission; and
 - c. Outright Purchase.
23. To the extent the Bid contemplates an Outright Purchase, the Bid shall be accompanied by a deposit equal to 10% of the purchase price.
24. A Bid **may not include** any request or entitlement of any break fee, expense reimbursement, or similar form of payment.
25. A Bid **may not** be subject to any conditions other than approval by the Court. Specifically, all inspections or other due diligence associated with the Assets, wherever situated, must be completed by the Qualified Bidder prior to submitting its Bid to the Receiver.
26. A Bid submitted by a Qualified Bidder that complies with the conditions set out at paragraphs 23-25 is referred to herein as a “**Qualified Bid**”.

Selection of Winning Bid

27. The Receiver shall review all Qualified Bids between May 28, 2022 and June 1, 2022.
28. Bids for the purchase of entire groups or subgroups of Assets (described at paragraph 20 above) may be viewed more favourably by the Receiver than Bids for portions of the groups or subgroups of the Assets.
29. After the Qualified Bids have been submitted, the Receiver may contact a Qualified Bidder for the purpose of further negotiating the terms of a definitive agreement (“**Definitive Agreement**”) for the

purchase and sale of the Assets contemplated in such Qualified Bidder's Bid, and may enter into such negotiations.

30. A Qualified Bid that is determined by the Receiver to be the highest, best or otherwise most favourable Bid is a "**Winning Bid.**" A Qualified Bidder who submits a Winning Bid that is accepted by the Receiver is referred to herein as a "**Successful Bidder**".
31. If a Winning Bid has been accompanied by a deposit in accordance with paragraph 23 hereof, the deposit shall be applied to the total purchase price. In the event a Bid that is accompanied by a deposit is not a Winning Bid, the Receiver shall return the deposit within 5 days of the Court approving the Winning Bid(s).
32. The Receiver reserves the right to reject or refuse to accept any Bid or to otherwise terminate the SP. The Receiver further reserves the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Bid for some or all of the Assets or to accept multiple Bids and enter into multiple Definitive Agreements in respect of the Assets.

Approval Orders

33. In the event the Receiver accepts a Winning Bid(s), the Receiver shall apply for an order from the Court in form and substance that is satisfactory to the Receiver, approving the Transaction(s) contemplated by the Winning Bid(s) and any necessary related relief required to consummate the Transaction(s) contemplated by the Winning Bid(s), subject to the terms of the Definitive Agreement(s) (the "**Approval Order**"). The application for the Approval Order shall take place during the week of June 20, 2022 or at such later date as determined by the Receiver.
34. An Approval Order shall become a "**Final Order**" upon the satisfaction of the following conditions:
 - a. It is in full force and effect;
 - b. It has not been reversed, modified or vacated and is not subject to a stay; and
 - c. All applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order, wholly operable.
35. Closing of the Transaction(s) contemplated by any Winning Bid(s) shall occur within fifteen (15) days of the date upon which the Approval Order has become a Final Order, or as may be extended with approval from the Receiver.

SCHEDULE "A"

Addresses for Deliveries

Any notice or other delivery made to the Receiver pursuant to the SP must be made to:

ALVAREZ & MARSAL CANADA INC.

Bow Valley Square 4

Suite 1110, 250 6th Ave SW

Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Dave Williams

Tel: (403) 538-4736 / (403)538-7536

Email: okonowalchuk@alvarezandmarsal.com / david.williams@alvarezandmarsal.com

With a copy to:

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower

520 3rd Avenue SW, Suite 1900

Calgary, AB, T2P 0R3

Attention : Robyn Gurofsky / Anthony Mersich

Tel : (403) 232-9774 / (403) 232-9154

Email : RGurofsky@blg.com / AMersich@blg.com

Deliveries made pursuant to this SP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SP shall be deemed to be received when delivered to the relevant address, as identified above.

Appendix J
Proposed Sales Process Advertisement

- RECEIVERSHIP SALE -

**Big Bear Energy Rentals Ltd.
(Canada)
&
Barricade Environmental Ltd.
(U.S.A.)**

Trucks, Trailers, Light & Heavy Equipment and Fluid Management Equipment

Spring 2022



Bid Deadline: May 27, 2022



Asset Purchase Opportunity

Company Background

Big Bear Energy Rentals Ltd. (“**Big Bear**”) and Barricade Environmental Ltd. (“**Barricade**”) (collectively, the “**Company**”) are businesses with assets used to provide fluid management, emergency response, H2S and flow back treatment services to the oil & gas and civil engineering industries.

The Company’s assets (the “**Assets**”) include but are not limited to the following equipment and inventory:

- Trucks
- Trailers
- Light & Heavy Equipment
- Fluid Management Equipment

The Company’s assets are secured in three facilities in Canada and the United States, which are in the following locations:

- Sylvan Lake, Alberta, Canada
- Cheyenne, Wyoming, U.S.A.
- Williston, North Dakota, U.S.A.

Court Process

On January 21, 2022, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an order (the “**Interim Receivership Order**”) appointing Alvarez & Marsal Canada Inc., as the court-appointed interim receiver (the “**Interim Receiver**”) of the Company and other related entities.

On February 4, 2022, the Court granted an order enhancing the Interim Receiver’s powers and effective February 9, 2022, appointed the Interim Receiver as receiver (the “**Receiver**”) of the Company.

On May 4, 2022, the Court granted a sales process order (“**SP Order**”) allowing the Receiver to solicit bids from qualified interested parties on the Assets of the Company.

Asset Highlights

The tables below provide an overview of the various types of Assets located in the three facilities in Canada and the United States. A detailed asset listing will be provided to Qualified Bidders who have signed a confidentiality agreement.

Big Bear Energy Rentals Ltd. Located in Sylvan Lake, AB Asset Summary	
Asset Group	Quantity
<u>Trucks</u>	
Pickup Trucks	47
Other Trucks	8
<u>Trailers</u>	
Bumper Pulls and Gooseneck Trailers	54
Office and Wellsite Trailers	14
<u>Light & Heavy Equipment</u>	
Light Towers, Generators & Combo Unit	37
Scrubbers, Filtration Pots & Atomizers	42
Other Equipment	38
<u>Fluid Management Equipment</u>	
Hose And Reels	1,633
Fittings & Adaptors	4,809
Water Pumps	64
Super Heaters	4
Water Transfer & Crossover Equipment	2,862
Miscellaneous Equipment	228

Barricade Environmental Ltd. Located in Cheyenne WY, and Williston ND Asset Summary	
Asset Group	Quantity
<u>Trucks</u>	
Pickup Trucks	14
Other Trucks	1
<u>Trailers</u>	
Bumper Pulls and Gooseneck Trailers	17
<u>Light & Heavy Equipment</u>	
Light Towers, Generators & Combo Unit	2
Other Equipment	5
<u>Fluid Management Equipment</u>	
Restraints	5,346
Enviro Cap Lids	4,485
Fittings & Adaptors	855
Containment Inventory	603
Water Pumps	7
Super Heaters	5
Miscellaneous Equipment	653



Sample Asset Photos

Trucks



Trailers



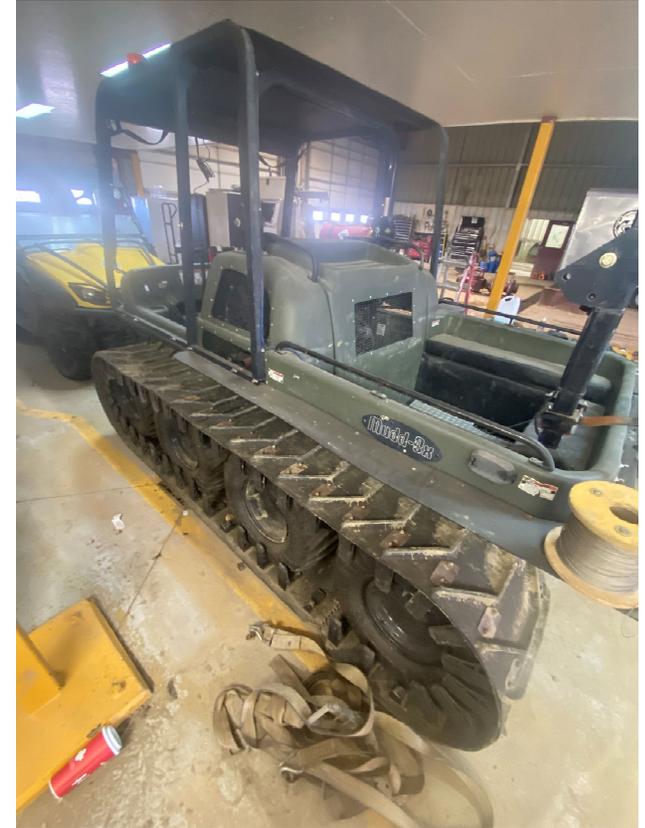
Sample Asset Photos

Light & Heavy Equipment



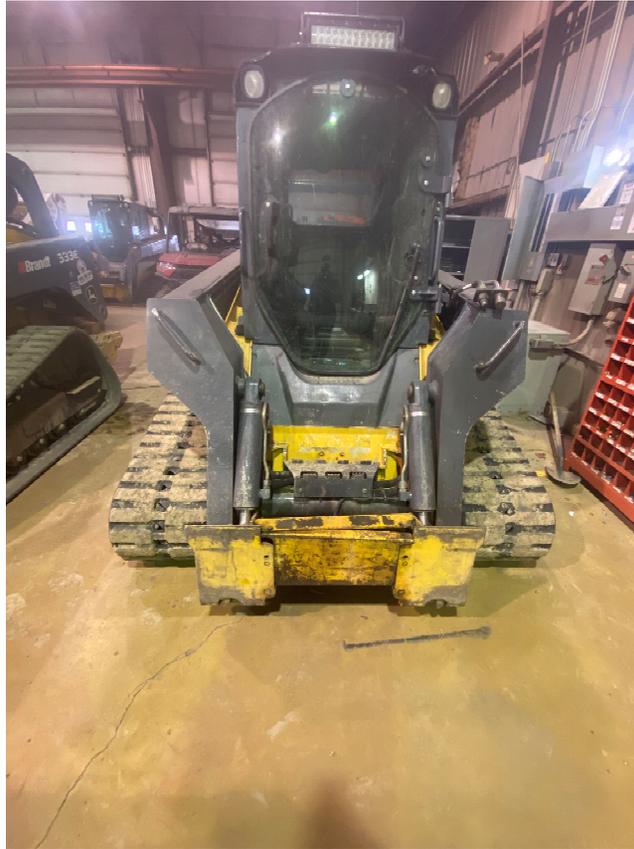
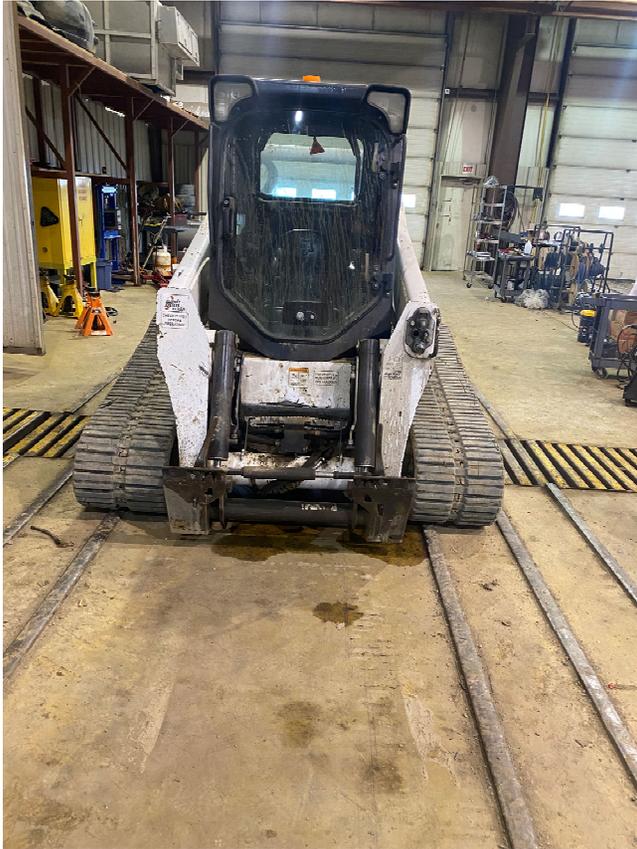
Sample Asset Photos

Light & Heavy Equipment (con't)



Sample Asset Photos

Light & Heavy Equipment (con't)



Sample Asset Photos

Fluid Management Equipment (hoses and reels, super heaters, water pumps, fittings and adaptors, containment inventory etc.)



Additional Information

Next Steps

The Receiver is conducting a sales process (the “**Sale Process**”) in accordance with the procedures included in the Sales Process Order posted on the Receiver’s website: www.alvarezandmarsal.com/bigbear.

As defined in the Sale Process, a Qualified Bidder must deliver a Bid to the Receiver by:

- **Bid Deadline:** 12:00pm MT on **May 27th, 2022**
- **Asset Groups:** For the purposes of assisting Qualified Bidders in submitting their Bids, the Assets will be divided and marketed in the following groups:
 - Assets owned by Big Bear (the “**Big Bear Assets**”) and located in Sylvan Lake, Alberta, which are further divided into the following subgroups: (i) Trucks; (ii) Trailers; (iii) Light & Heavy Equipment; and (iv) Fluid Management Equipment.
 - Assets owned by Barricade (the “**Barricade Assets**”) and located in Cheyenne, Wyoming and Williston, North Dakota, which are further divided into the following subgroups: (i) Trucks; (ii) Trailers; (iii), Light & Heavy Equipment; and (iv) Fluid Management Equipment.
- **Due Diligence:** Qualified Bidders may schedule appointments with the Receiver to inspect the Assets between May 6 and May 26, 2022, in Canada and/or the United States.
- **Bid Process:** Qualified Bidders may submit an *en bloc* Bid for the purchase of all of the Big Bear Assets and the Barricade Assets. Qualified Bidders may also submit a Bid in respect of any of the Asset groups or subgroups, or any portion of those groups or subgroups.
 - In order for the Receiver to consider a Bid, the proposed purchase price contemplated by the Bid must include one or more of the following three options: (a) Net Minimum Guarantee; (b) Commission; and/or (c) Outright Purchase.
 - Bids must include purchase price allocation for each group or subgroup of assets bid on.
 - A Bid may not be subject to any conditions other than approval by the Court. Specifically, all inspections or other due diligence associated with the Assets, wherever situated, must be completed by the Qualified Bidder prior to submitting its Bid to the Receiver.
- **Selection of Winning Bid:** The Receiver will review all Qualified Bids between May 28 and June 1, 2022.

Interested parties who wish to pursue a potential acquisition are required to execute a Confidentiality Agreement, which accompanies this teaser, to receive access to the Company’s asset listing. Please contact a representative of the Receiver listed below for further information.

A&M reserves the right at any time to amend or terminate this Sale Process, to decline an interested party the ability to participate in the process, to terminate discussions with any or all interested parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

Alvarez & Marsal
Bow Valley Square 4
Suite 1100, 250 6th Ave SW
Calgary, Alberta T2P 3H7

Stephen Oosterbaan
Manager
Calgary
403.538.7555
soosterbaan@alvarezandmarsal.com

David Williams
Senior Manager
Calgary
403.538.7536
david.williams@alvarezandmarsal.com

Jill Strueby
Vice President
Calgary
403.538.7529
jstrueby@alvarezandmarsal.com

Orest Konowalchuk
Senior Vice President
Calgary
403.538.4736
okonowalchuk@alvarezandmarsal.com



Appendix K
Proposed Form of Offer

BID FORM – Big Bear Energy Group - IN RECEIVERSHIP

To: Big Bear Energy Rentals Ltd. ("**Big Bear**"), 1509571 Alberta Ltd., 5556300 Manitoba Ltd. Barricade Environmental Ltd. ("**Barricade**"), & Direct Environmental Technologies Inc. (collectively, "**Big Bear Energy Group**" or the "**Company**"), by and through its court appointed receiver and manager, Alvarez and Marsal Canada Inc. (the "**Receiver**"), acting in its capacity as receiver and manager, and not in its personal or corporate capacity, of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including proceeds thereof, of Big Bear Energy Group.

Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7

Attention: Orest Konowalchuk okonowalchuk@alvarezandmarsal.com
David Williams david.williams@alvarezandmarsal.com

1. _____

(Name of Party issuing Bid) (the "**Bidder**")

2. _____

(Address of Party)

3. _____ (Phone number) _____ (Email)

4. _____
(Person to be contacted)

Big Bear Assets

5. The total amount hereby offered: *En Bloc*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

6. The total amount hereby offered: *Trucks*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

7. The total amount hereby offered: *Trailers*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

8. The total amount hereby offered: *Light & Heavy Equipment*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

9. The total amount hereby offered: *Fluid Management Equipment*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

Barricade Assets

10. The total amount hereby offered: *En Bloc*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

11. The total amount hereby offered: *Trucks*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

12. The total amount hereby offered: *Trailers*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

13. The total amount hereby offered: *Light & Heavy Equipment*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

14. The total amount hereby offered: *Fluid Management Equipment*

a. Net Minimum Guarantee: \$ _____

b. Straight Commission: \$ _____

c. Outright Purchase: \$ _____

d. Additional Conditions: _____

15. In the event more than one of the foregoing Bids is submitted by the Bidder, the Receiver may accept any one Bid from any Bidder in its sole and absolute discretion.

16. The Receiver maintains the right to accept any Bid in its sole discretion and is not required to accept the Bid with the highest amount offered. The Receiver may choose to reject all Bids at its sole and absolute discretion.

17. Enclosed is the Bidder's bank draft payable to Alvarez & Marsal Canada Inc., in its capacity as Receiver of the Company as a deposit in the amount of \$_____, representing 10% of the total amount of the Bidder's highest valued Bid submitted herein (the "**Deposit**"). The Deposit is only required should the Bidder offer a bid based on a Net Minimum Guarantee or Outright Purchase basis.

18. If a Bid is accepted by the Receiver (the "**Accepted Proposal**"), the applicable Bidder will, in good faith, negotiate a binding definitive agreement (the "**Definitive Agreement**") with the Receiver, satisfactory to the Receiver, which shall, unless the parties agree otherwise, include, *inter alia* the following terms:

a. a purchase price in an amount equal to that contained in the Accepted Bid;

b. an allocation of the purchase price for each of the assets sold under the Definitive Agreement (the "**Sale Assets**"), and a term to adjust the purchase price for any removal of Sale Assets from the purchase and sale;

- c. additional provisions incorporating the Additional Conditions set out in the Accepted Bid;
- d. standard conditions precedent, including, that the performance of the Definitive Agreement will be subject to approval of the Court of Queen's Bench of Alberta (the "**Court Approval**"), no action or proceeding, at law or in equity, shall have been commenced or threatened by any person, firm, company, government, regulatory body or agency to enjoin, restrict or prohibit the sale of the Sale Assets, the Purchaser shall have paid the Purchase Price and GST payment in full to the Receiver, and the Purchaser shall have provided a certificate from an officer of the Purchaser that all representations and warranties of the Purchaser contained in the Definitive Agreement are true and correct;
- e. a term that the Deposit will be non-refundable upon the execution of the Definitive Agreement by the Bidder and the Receiver unless the transaction contemplated by the Definitive Agreement does not close as a sole result of the breach of an obligation or term of the Definitive Agreement by the Receiver or the Court of Queen's Bench of Alberta does not grant the Approval and Vesting Order as contemplated in the Definitive Agreement);
- f. a term that the Sale Assets shall be acquired by the Bidder on an "as is, where is" and "without recourse" basis;
- g. a term that the Receiver will make no representation, warranty or collateral agreement, either express or implied, as to the condition or fitness of any Asset for any purpose or as to the title, ownership or merchantability of any Asset;
- h. a term that the implied conditions and warranties contained in the *Sale of Goods Act*, RSA, c S-2, as amended, or any similar statute or law in any other province or territory, are expressly excluded and shall not apply to the sale effected by the Definitive Agreement;
- i. a representation by the Bidder that it has completed to its satisfaction any due diligence and investigation in relation to the Sale Assets; and
- j. such other terms that are customary in an agreement of the nature of the Definitive Agreement and/or otherwise required by the Receiver, in its sole and absolute discretion.

19. The Receiver requires that all Bids be submitted by e-mail or courier to the Receiver by Noon MDT on Friday, May 27, 2022.

DATED at _____ this _____ day of _____, 2022.

(Signature of Authorized Representative)

(Name and Position)

ACCEPTED:

**BIG BEAR ENERGY GROUP, BY AND THROUGH ITS
COURT APPOINTED RECEIVER AND MANAGER,
ALVAREZ AND MARSAL CANADA INC., ACTING IN
ITS CAPACITY AS RECEIVER, AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

(Signature of Authorized Representative)

(Name and Position)

Appendix L
Receiver's Fees and Costs

Big Bear Energy et al. - in Receivership

Summary of Interim Receiver and Receiver's Fees and Disbursements ("Interim Period Billings")

January 21, 2022 to March 31, 2022

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
#1	January 21 2022 to February 4 2022	159,417.00	5,296.76	164,713.76	8,235.69	172,949.45
#2	February 5, 2022 to February 28, 2022	219,134.00	8,087.34	227,221.34	11,361.09	238,582.43
#3	March 1, 2022 to March 31, 2022	197,707.50	2,360.14	200,067.64	10,003.38	210,071.02
	TOTAL	576,258.50	15,744.24	592,002.74	29,600.16	621,602.90

Appendix M
Receiver's Counsel's Fees and Costs

Big Bear Energy et al. - in ReceivershipSummary of Receiver's Counsel's Fees and Disbursements ("Interim Period Billings")
January 17, 2022 to March 31, 2022**Invoices subject to Court Approval**

Name	Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
Borden Ladner Gervais LLP	698083260	January 17 2022 to January 31 2022	36,062.50	100.00	36,162.50	1,807.88	37,970.38
Borden Ladner Gervais LLP	698088804	February 1 2022 to February 28 2022	30,892.00	148.00	31,040.00	1,551.00	32,591.00
Borden Ladner Gervais LLP	698100283	March 1, 2022 to March 31, 2022	26,149.00	176.60	26,325.60	1,312.71	27,638.31
SUBTOTAL			\$ 93,103.50	\$ 424.60	\$ 93,528.10	\$ 4,671.59	\$ 98,199.69

Name	Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
McLennan Ross LLP	20220672 CPR	February 14 2022 to March 18 2022	4,582.50	104.70	4,687.20	234.37	4,921.57
SUBTOTAL			\$ 4,582.50	\$ 104.70	\$ 4,687.20	\$ 234.37	\$ 4,921.57

TOTAL			\$ 97,686.00	\$ 529.30	\$ 98,215.30	\$ 4,905.96	\$ 103,121.26
--------------	--	--	---------------------	------------------	---------------------	--------------------	----------------------